

Worrying economic trends face Sweden's new rulers

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDEN'S NEW Government, however shaky its parliamentary base may be, will have to sum up the strength to deal with some disturbing economic trends. The situation was underlined yesterday by a sharp warning from the Federation of Swedish Industries about the deteriorating payments balance and by the Riksbank's (central bank) weekly report, which showed an acceleration in the currency outflow.

The federation's economists gave the most pessimistic forecast so far of the current accounts deficits for this year and next. They anticipate a deficit of SKr 13.5bn (£1.48bn) this year and a record SKr 16.5bn in 1980.

These estimates are some SKr 3-4bn more than those offered by Government economists before Sweden's general election and more than double those contained in the spring budget.

The Riksbank's report for the week ending September 14 shows a decline in the currency reserves of SKr 560m to SKr 15.5bn. As the State Debt Office took home SKr 231m in foreign loans during the week,

the currency outflow was close to SKr 800m.

This is not necessarily a speculative outflow. The larger part probably reflects payments for the strong rise in imports during July and August, when the trade balance swung into deficit.

The Riksbank governor, Mr. Carl-Henrik Nordlander, stressed earlier this month that the krona remained firm against its trade-weighted basket of currencies and there is no evidence of speculation against it on the money markets. But the fall in the reserves does indicate that state borrowing abroad will have to be stepped up.

So far this year, the reserves have fallen by close to SKr 2bn, while state foreign borrowing has been just over SKr 6.5bn. Borrowing abroad by companies and local authorities has been relatively small.

However, even if there is still no rush of speculative money out of the country, the wide gap between Swedish interest rates and those prevailing in many other industrialised countries suggests that the new Government will need to raise domestic rates very soon.

The federation of industries stressed yesterday that the growth in the current account deficit was not caused solely by oil price increases. An underlying structural imbalance in the economy which had been hidden during 1978 by sales from producer stocks and the running down of import inventories was now appearing.

It warns of accelerating inflation which could produce a 12 per cent increase in consumer prices next year. Linking the price development with industry's problems in recruiting labour, it sees a threat of wage drift which would bode ill for the crucial negotiations scheduled to start in November on a new national wages settlement.

With an estimated payments deficit approaching 4 per cent of GNP, 1980 had to see a decline in real incomes for the working population, the federation economists argue. The 1 per cent growth in private consumption which they allow for in their 1980 forecasts would not even cover the increases already lodged for pensioners' incomes and other budget transfers.

£14bn Dutch energy-saving plan

BY CHARLES BATCHELOR IN AMSTERDAM

THE NETHERLANDS yesterday announced the first stage of a two-pronged attack on its energy problems. A wide-ranging programme of energy savings which will involve investment of F1 60bn (£14bn) over the next 20 years, was presented to Parliament by Mr. Gijs Van Aardenne, the Economics Minister.

The second part of the programme is a plan to diversify the country's energy sources and reduce its present more than 90 per cent dependence on gas and oil. The most controversial part of the Government's energy

policies will not be made known until December when its proposals for nuclear energy are announced.

Clearly alluding to the strong opposition to nuclear power, Mr. Van Aardenne said the densely populated Netherlands faces a tougher challenge than many countries in developing alternative sources of energy.

The Government is proposing a programme of house and office insulation, more efficient central heating systems, and electrical apparatus, stimulation of energy saving technology and cuts to fuel use by the private motorist.

On the basis of current government spending levels of F1 600m a year and industry and the consumer would have to provide F1 45bn of the F1 60bn spending involved.

Assuming energy prices double in the period to the year 2000 the savings would reduce oil consumption in the Netherlands to less than half the levels likely if nothing were done. The country could achieve a 30 per cent improvement in overall energy efficiency in this period while savings on home heating could be as high as 45 per cent.

Despite the failure of the Government's appeal for voluntary energy savings of 5 per cent this year the sharp rise in energy prices in the 1970s has led to a saving of 10 per cent since 1973. The Government now intends to let higher prices bring about the savings which exhortation has been unable to achieve.

Coal will replace oil and gas for electricity production in the near term. Nuclear energy, if the decision is taken to expand production after the planned two-year "public debate," would not be available until the 1990s. Research is being undertaken into energy from the sun, wind and waste-burning but their contribution will be small.

Gloom over 1980 budget

BY OUR AMSTERDAM CORRESPONDENT

UNIONS AND employers have criticised the Dutch budget proposals for 1980 announced this week. The two major trade union federations, the FNV and the smaller more moderate CNV, have expressed doubts that the measures announced will maintain the purchasing power of the lower paid.

The employers organisations said that the failure to cut public spending meant that the Government was absorbing

most of the growth in the economy, leaving little over to improve profits.

There was also criticism at the budget from the two parties—the Liberals and the Christian Democrats—which make up the ruling coalition. The Liberals criticised the failure to reduce the tax and social security burden on industry while their Christian Democratic partners expressed disappointment at the forecast that there will be no reduction in unemployment next year.

consequently we'll undoubtedly go above that level for all of 1979," the spokesman said. An earlier Commission study estimated total oil use at between 515m and 523m.

"Nevertheless, we are bringing consumption down so that by the end of the year we will have achieved a day-by-day rate that translates into 500m tons a year," he said.

AP-DJ

EEC nears limit set on oil use

BRUSSELS—Oil consumption in the Common Market is nearing the annual rate of 500m tons pledged in March at the heads of government meeting in Strasbourg, according to an EEC official. The total for 1979 will be substantially higher, he said.

The official, a spokesman for Herr Guido Brunner, the Energy Commissioner, also said that Energy Ministers meeting

in Brussels today will debate the tough issue of how to divide up by country the Community-wide target of keeping oil imports to 470m tons in the years 1980-85.

The ministerial council will be partly to prepare for next week's follow-up meeting in Paris to the Tokyo summit.

"We consumed oil at a rate above 500m tons for the first six months of this year, and

consequently we'll undoubtedly go above that level for all of 1979," the spokesman said. An earlier Commission study estimated total oil use at between 515m and 523m.

"Nevertheless, we are bringing consumption down so that by the end of the year we will have achieved a day-by-day rate that translates into 500m tons a year," he said.

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OPEC OIL REVENUES

A return to record surpluses

BY JAMES BUXTON

REVENUE FROM this year's oil price rises will help give OPEC countries a surplus of \$44bn on their balance of payments current account this year, compared with one of only \$6.4bn last year.

This is the conclusion of a detailed study carried out by Dr. Sharif Ghalib of the Chase Economics Group in New York. The forecast is approximately in line with an estimate of \$43bn for the OPEC surplus made by the International Monetary Fund in its recent annual report. Dr. Ghalib has produced figures for the individual OPEC states' balance of payments.

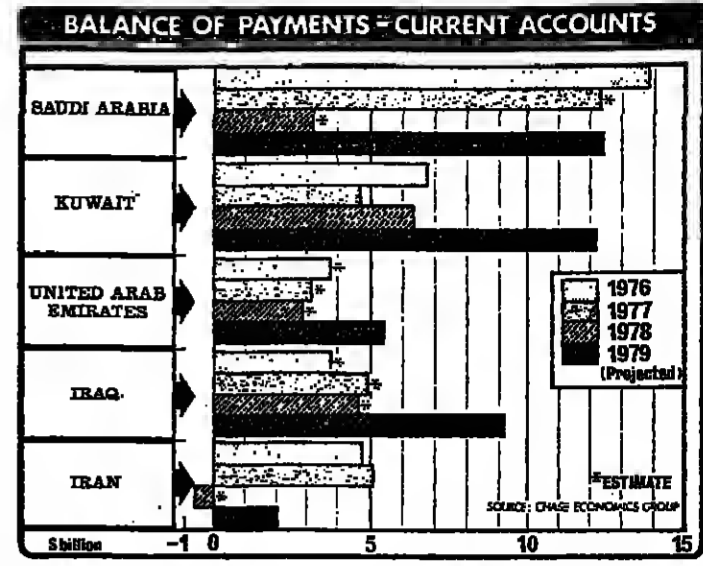
Based on the assumption that there will be no further oil price rise this year, they show Saudi Arabia's payments surplus being restored to roughly its 1977 level in money terms of \$12.47bn.

A few days ago the Saudi Arabian Monetary Agency (SAMMA), the central bank,

revealed that the Kingdom had a small payments deficit of \$57.6m last year. Dr. Ghalib explains the discrepancy between this figure and his own showing a surplus of \$3.17bn as being largely due to the fact that the Chase figures are based on income accruing to Saudi Arabia during the year while SAMMA's figures are based on cash actually received.

The Chase figures show that Kuwait's surplus of \$12.25bn will be the biggest ever recorded, reflecting its lower capacity to absorb revenue. The United Arab Emirates will also register a record surplus while Iraq will be back in surplus at \$2.03bn after an estimated deficit of \$0.71bn last year.

Iraq is expected to have a record surplus of \$9.25bn because although its imports are rising its export revenues are benefiting not only from higher prices but from substantially increased production. Qatar is expected to nearly double its



	1975	1976	1977	1978	1979*
Oil revenues (net)	97.49	119.28	131.41	124.10	173.28
Spot revenue differential*	—	—	—	—	0.50
Non-oil exports	5.61	7.90	9.10	9.39	11.30
Total exports	103.10	126.58	140.51	133.49	185.08
Imports of goods (fob)	-53.35	-68.66	-84.04	-95.94	-104.82
Exports of services	11.68	14.26	18.19	22.41	27.50
Imports of services	-22.50	-29.37	-37.57	-45.03	-51.66
Transfers	-6.92	-7.67	-9.50	-9.49	-12.10
Current account surplus	30.01	35.14	27.59	5.44	44.00

* Projected. ** "Differential" revenue from possible unidentified spot market oil sales.

Source: Chase Economics Group

Turkey and U.S. reopen negotiations on bases

ANKARA — Turkey and the United States resumed talks today on the future of U.S. bases here, less than three weeks before the present agreement expires.

The two sides have spent the past nine months trying to work out a formula for continued American use of the bases, some of which could be crucial for monitoring Soviet compliance with the SALT II strategic arms limitation treaty.

Turkish government officials say they expect to reach agreement, but not before the current accord expires on October 9.

The main differences between the two, according to U.S. officials, involved the manning and use of the more than 20 bases, and the nature of U.S. military and economic aid to Turkey.

U.S. scanning stations in Turkey have taken on added importance since similar installations in Iran ceased to operate.

The negotiations have been complicated by the prospect of Turkish by-elections due on October 14 which are crucial to the Social Democratic Government of Prime Minister Bulent Ecevit. He is unlikely to risk arousing the anti-American feeling which pervades Turkey by agreeing with the U.S. before the elections.

U.S. officials say Turkey wants all bases to be run jointly by American and Turkish personnel. But the U.S. maintains that Turkey does not have trained personnel to help run the scanning stations at Sinop on the Black Sea coast and Pirinik in the south-east.

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OVERSEAS NEWS

Hardline Moslem clergyman tipped as new head of Iran oil industry

BY ANDREW WHITLEY



Mr. Hassan Nazih

HOJATULISLAM Hashem Rafsanjani, a hardline Moslem clergyman, is being strongly tipped in Tehran to take over control of Iran's oil industry. Mr. Hassan Nazih, present chairman of the National Iranian Oil Company, is reported to be under great pressure to resign because of his nationalistic, secular views. Dr. Mehdi Bazargan's Provisional Government is believed to be fighting a last-ditch battle to keep Mr. Nazih in his post, on the grounds that only he can hope to maintain the loyalty of key technicians in the oilfields, most of whom are Left-wingers. Two other candidates for the chairmanship are being put forward by the Islamic lobby, NIOC informants say. One is believed to be Mr. Sadegh Ghotbzadeh, present head of the state radio and television organisation.

Both Hojatuslam Rafsanjani and Mr. Ghotbzadeh are members of the ruling Revolutionary Council, as well as being close to Ayatollah Khomeini. Neither has any experience of the oil industry, though the Moslem clergyman, a relatively young hardliner, is a member of the Central Bank of Iran's Supervisory Board. The present NIOC chief is noted for his outspoken criticism of the increasing involvement of the clergy in everyday affairs. In a speech at the start of an economic seminar in Tehran on Sunday, Mr. Nazih said the main trouble in industry came from those who "in the name of Islam" went to Khomeini to report "false things." If the latest pressure on Mr. Nazih succeeds, the consequences for Iran's oil output could be serious. Production has been volatile for several

months for a combination of reasons, and is believed to be averaging only about 3m b/d, 25 per cent down on the stated target. The Government yesterday reaffirmed its commitment to the present target of 4m b/d "at least until the end of this year," Mr. Cyrus Ibrahimpour, a Deputy Economy and Finance Minister, said. Future output might be scaled down in accordance with the country's requirements for foreign exchange. Ayatollah Esbraql, son-in-law of Ayatollah Khomeini, is at present leading an investigation into the situation in the oilfields, after complaints by NIOC workers. But the Deputy Finance Minister played down suggestions of a purge in the oil industry, because of its crucial significance for the economy.

'Paralysis' jibe at Begin's Cabinet

By David Lennon in Tel Aviv

ISRAEL'S Opposition Labour Party yesterday accused the Government of paralysis when the Knesset met in special session to discuss an Opposition charge that the Cabinet was no longer functioning. The session was called against a background of rampant inflation which is expected to reach 90 or 100 per cent this year, constant public bickering between Ministers and the failure of the ailing Prime Minister to restore order in his Cabinet. Mr. Yigal Alon, Foreign Minister in the last Government, said: "The Cabinet is paralysed. I am not arguing about their policies, which are wrong in most cases. But even if you judge their actions vis-à-vis their own policies, it is a non-functioning Government."

China makes important finds at leading oilfield

BY COLINA MACDOUGALL

IMPORTANT NEW discoveries have been made at China's leading oilfield at Daqing, the New China News Agency has announced. New workable sources of oil have been found in outlying areas which have raised the field's estimated reserves by 25 per cent. At present, Daqing produces about 40 per cent of China's national output of crude oil, which last year reached 104m tons. But growth of production at the field has been flattening out since the mid-1970s as fewer areas remained to be exploited. This has been reflected in a

drop in the growth rate of oil output nationally. Also, the Chinese have not been able to bring other oilfields on stream quickly. There has been some anxiety that output might drop without other sources to replace it. Though the Chinese claim to have kept production at Daqing rising by 1m tons a year in the past three years by such methods as water injection, foreign observers expected that, without further discoveries of reserves, the oilfield would run out during the 1980s. These new finds will improve overall oil prospects, since the massive infrastructure of pipelines and refineries which is lacking else-

where already exist on site. While the Chinese have been discussing their resources in Sinking, the remoteness of these fields and the expense of installing transport to the industrial east of the country are considerable stumbling blocks. In any case, all such new investment is at present handicapped by the calls made on resources by other key sectors. The Chinese are developing their offshore sector with the aid of foreign companies who are at present carrying out seabed surveys. Even if these are successful, offshore oil is unlikely to be flowing before mid-1982 at the earliest.

How Liu would aid the jobless

BY JOHN HOFFMANN IN PEKING

PEKING—China's unemployment problem would be solved if people worked less, according to a critic of the country's rising tide of "capitalist" enterprise. Mr. Liu Zizhen, in an article published prominently in the Peking Daily, said industry should be reorganised into four-hour working shifts. Five people should be employed to perform the work normally done by three and they should be paid less than the existing wage rates. Mr. Liu's suggestion came in an attack on the tendency, encouraged by the Chinese leadership, to encourage unemployed people to set up self-run co-operatives or go into one-man businesses. There was a strong reek of capitalism about these practices, he hinted, and called for a return to the Maoist principle of the "iron rice bowl"—the figurative symbol of Socialism's unbreakable promise that the

needs of every citizen will be guaranteed by the State. Earlier this year, Mr. Xue Muqiao, a noted economist, had proposed the same newspaper that China should set up more productive enterprises, including co-operative undertakings operated by small neighbourhoods. This, he said, would relieve State-run industries of the need to fit places for unemployed people and allow more efficient business operations. At present, productivity was low, management inefficient and services inadequate, Mr. Xue said. Recommending a ruthless clearing of dead wood, he urged that inefficient workers should be retrenched. The proposals were endorsed by the Chinese Government, worried about the restlessness of an estimated 5m jobless, and equally anxious about the losses incurred by industries overloaded with staff. Official announcements have

urged the unemployed to form "service units" to undertake building repairs, craft work, the transport of goods and other support activities. The units would be self-accounting and could retain their profits to create more jobs. Mr. Liu objects to the measures on the ground that they stray too far from the path of pure Socialism. They were "not a proper answer" to China's unemployment problem. "The State should assign people to work according to a plan. People should not choose their own jobs," he contended. As for firing people useless in their jobs, Mr. Liu said, this was redolent of capitalist practice. "Unfitness to work is caused by many factors," he reasoned. "Sometimes technical development is the underlying reason." "If a socialist society gives its people a mud rice bowl, can it still be called Socialism?"

S. Africa may give more land to Bantustans

BY QUENTIN PEEL IN JOHANNESBURG

A GOVERNMENT inquiry into the division of South African land between blacks and whites is expected to recommend a significant redistribution in favour of the tribal Bantustans. The proposals, which face tough opposition from white farmers, will go beyond the provisions of the 1936 Land Act, hitherto regarded as immutable by the Nationalist Government.

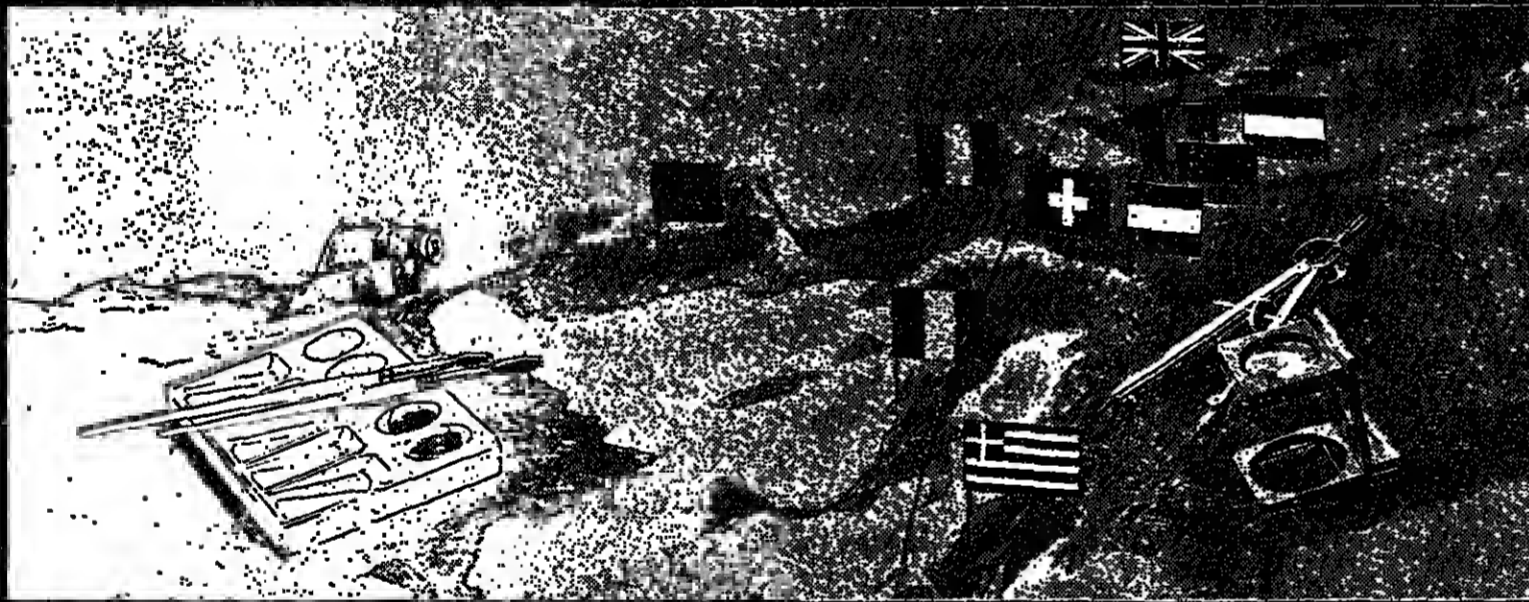
The Act allotted 87 per cent of the land to whites and 13 per cent to the Bantustans. This was stated yesterday by Mr. Heonnie Van Der Walt, chairman of the Commission of Inquiry into Consolidation of the Homelands, speaking at the 17th annual congress of the National Party. His proposals aimed to make the independent black states envisaged by South

Africa's apartheid strategy more realistic and viable, he said. "The commission cannot meaningfully consolidate the national black states without exceeding the provisions of the 1936 Act," he said. "We must be prepared to admit to each other that if we are serious about the constellation of states, end about the economic viability and separate freedom of the

black states. The commission's first main proposals to consolidate the Bophuthatswana Bantustan, are to be submitted to the Cabinet tomorrow, Mr. Van Der Walt said. They would apparently unify the homeland, the second Bantustan to accept independence, following Transkei. The present plans for the homeland divide it into six areas.

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IAN HARGREAVES ASSESSES SHIPPING PROSPECTS

Developing countries set to become major force

FLAGS OF convenience will be extinct by the end of the century and developing countries will have established themselves as a major force in world shipping.

This is the forecast of Mr. Adib al Jadir, director of shipping for the United Nations Conference on Trade and Development (UNCTAD).

Established maritime interests, notably in Japan, Britain, Greece, the U.S. and the Scandinavian countries, tend to scoff at him however. His message is expected to arouse heated exchanges in shipping circles in the months ahead.

The shipping establishment argues that Third World nations will hurt everyone, including themselves, if they succeed in forcing or negotiating their way to the top of shipping. It claims that Mr. Al Jadir is no more than a bureaucrat who is goading his constituents into a radical position they would not take by themselves.

But these attacks underline a grudging acknowledgement that Mr. Al Jadir has struck to the heart of the most important long-term political debate in the industry.

The debate was stormily engaged at the last full session of UNCTAD in Manila in May. European Commission negotiators arrived at the conference with a hard-won agreement among Common Market members to give the Third World a greater share of regular general cargo shipping services. The EEC formula will now form the base of a modified UNCTAD liner shipping code.

But EEC negotiators were dismayed to find that their concessions over liner shipping, far from stemming the pressure from the developing countries, appeared to fuel a campaign for a similar "code" on the much bigger business of bulk shipping.

In addition, most members of the group of 77, which encompasses the developing countries, were determined to press the question of flags of convenience. They argued that the system of rich country shipowners using "free flags" chiefly those of Liberia and Panama, and cheap labour from the Third World was impeding the growth of genuine developing nation flags.

The facts are that between 8 and 9 per cent of the world fleet is at present owned by the developing world. This represents a 2 per cent growth in the last couple of years, but is regarded as wholly unsatisfactory by the UNCTAD hawks.

UNCTAD's liner code, now being put through various national legislatures, prescribes a rigid apportionment of all regular general cargo trade. Forty per cent of cargo between two countries would go in the exporting nation's ships, 40 per cent to importing countries' vessels, leaving 20 per cent for third parties.

This heavy restriction on third parties is a serious blow for countries like Britain and Nor-

way, whose fleets carry much more than their "fair" share of world trade. The extension of the concept to bulk shipping would do grievous damage to the merchant marine of Greece and to the big tanker fleets controlled by the oil companies, often using flags of convenience.

In Manila, the developed countries responded to the idea of a bulk shipping code with a non-negotiable "No." It was left largely to Liberia, the Group of 77 African state under whose flag of convenience 20 per cent of the world fleet sails, to try to undermine the

merchant navy can also, like an essential component of national pride.

The most discussed group of countries have been the Arab oil exporting countries, which possesses both the necessary export cargoes and a surplus of investment capital. This argument lured some heavy Arab investment, mainly in tankers, in 1973-74, most of which proved to be an expensive failure when shipping markets plunged into the current slump.

So long as the Arabs ace the free tanker market moving their oil more cheaply than their own

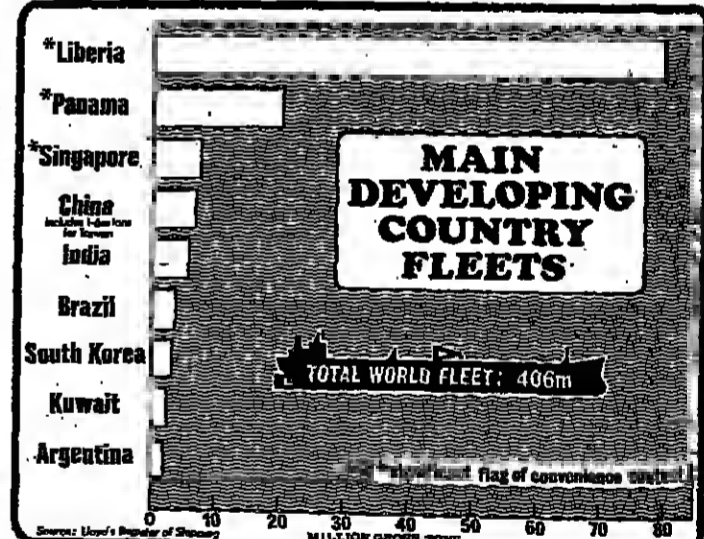
ships could, this situation is unlikely to change. Far East countries are probably the highest threat to established maritime interests in the next decade.

By 1981, South Korea should have a fleet of 6.5m gross register tons—roughly the size of the existing Swedish fleet. The Korean industry's growth is based on rapidly growing trade and relatively cheap and experienced labour—thousands of Koreans serve on flag of convenience ships.

A similar picture exists in Taiwan, Singapore, Indonesia, the Philippines and Malaysia. But the most rapid expansion in recent years has been in the Chinese fleet, whose fleet grew by around 15 per cent in 1978 and has since continued to increase.

The other important group of "new" shipping countries is in Latin America, where an aggressive policy of bilateral cargo reservation deals and a large public sector in shipping have created a solid base for growth. UNCTAD is convinced that it must kill the flag of convenience.

The system which allows the developed world to combine its capital, its officers and its management skills with Third World labour is however probably economically unbeatable. It will require a huge political effort and probably a readiness to take financial penalties on the part of UNCTAD and its "Group of 77" members to overcome this latest version of the maritime status quo.



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Early form may be misleading in Democratic nomination race Carter has not yet begun to fight

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

ALL WASHINGTON now assumes that Senator Kennedy is running for the Presidency. Most of the capital predicts that the Senator from Massachusetts will beat President Carter for the Democratic Party's presidential nomination. But a close examination of the Carter-Kennedy balance suggests many factors favouring a Carter renomination.

There has never been much affection for the southern incumbent in Washington which has always felt at ease with Kennedy's. The overwhelming opinion here is that the only serious question in doubt are the margin of Mr. Kennedy's victory, the divisiveness of the fight, the length of time the President stays in the race and how crippled his administration would be by defeat.

It used to be that the collective political wisdom of the nation's capital was right, more often than not. But its reputation was damaged in 1968. President Johnson's sudden withdrawal in 1972 by Senator McGovern's rout of Senators Muskie and Humphrey, and in 1976 by Mr. Carter's rise from obscurity.

The 1980 election season has already started, which makes it timely to try and assess the Carter-Kennedy balance as early as now.

The arguments for a Kennedy victory are strong and well known. They include Mr.

Carter's parlous position in the polls, with an approval rating in some surveys down to an unprecedented low 20 per cent. Then there is the national craving for old-fashioned leadership of the sort which a diship of the President (and even his revamped Administration) is seen as incapable of bringing to bear but which Mr. Kennedy is perceived as possessing in abundance.

In addition there is the President's supposed inability to get a fractured and fractious Congress to heed his bidding—or even, come to that, to keep his own Cabinet in line.

Most particularly, there is the deteriorating state of the economy. In the interviews he has been giving at the rate of several a day recently, Mr. Kennedy initially focused on economic problems, but of late has begun to talk more of the national sense of drift and the need for leadership.

On top of this, it must be remembered that primaries, which determine presidential nominations, are party affairs. Democrats, by two-to-one the majority party in the nation, see no reason why they should, with the memories of the Nixon and Ford years so fresh, turn the White House over to the Republicans through their own divisions.

Mr. Carter's standing among the many diverse constituencies who comprise the Democratic

Party is not high; moreover, the polls show him trailing a variety of Republicans, some of whom, especially Mr. Ronald Reagan and Mr. John Connally, are ideological anathema to most Democrats.

Mr. Kennedy, in the Senate and out of it, has always tended the Democratic garden carefully and has a sense of responsibility for the Party's future that an essential loner like Mr. Carter apparently does not possess.

Hence, the mushrooming of "Draft-Kennedy" movements among Democrats across the country long before he officially conceded he might run.

The other side of the coin, the case for Mr. Carter, may be more feebly heard in Washington but is not inconsequential. It runs something like this: the current polls are illusory, as many are in the year before an election, because nobody is seriously focusing on what the alternatives to the incumbent really have to offer.

When Mr. Kennedy is winked out of his shell, it is argued, and induced to strike policy positions different from the President, the public will be better able to judge respective merits and to discern that Mr. Kennedy's "liberalism" is out of step with the more cautious conservatism that suits the country and which Mr. Carter has espoused.

The Senator, of course, is not

unaware of this. These days he talks of incentives to business and fiscal responsibility, like everybody else.

The burdens of incumbency will also be stressed, with the Carter camp arguing that the President has to get on with the serious and often unpopular business of government, while those who oppose are freed from the responsibility of implementing their criticisms.

It may well be true that there exists considerable national receptiveness to the proposition that the President, unlike his predecessors, has not ducked difficult policy issues, but has been frustrated principally by the Washington establishment.

In any case, Mr. Carter is clearly proud of what has been achieved at home and abroad, and can be counted on to make much of his peacekeeping role and of the fact that no American soldier has lost his life in combat overseas during his tenure. Indeed, the polls do show that Mr. Carter is not disliked and is thought of as well-meaning and hard-working.

The powers of the incumbent may also be applied to party affairs, and partly offset the clear natural allegiance that Democrats feel for Mr. Kennedy.

As nominal head of his party, the President may make key appointments and dispense political patronage—which in turn can pay dividends in primaries



Pre-empter and President: Kennedy and Carter early this year.

and caucuses, as events in Florida may prove in October and November.

There is even the hope—though the timing may come too late to influence important early primaries next year—that the economy will start emerging from a relatively mild recession.

All incumbents like to be the economy moving in the right direction in the run-up to the election, and there is no reason to suppose that even Mr. Carter, at his most non-politically pious, is any different in particularly when threatened from the Left.

Mr. Kennedy, of course, knows perfectly well that little improvement can be expected

in the next three months or so, during which time, he says, economic factors will be crucial in shaping his decision whether or not to run.

Finally, and totally imponderable, is the question of Mr. Kennedy's past—the Chappaquiddick incident 10 years ago and the pressure of public life, which more recently drove his wife, Joan to alcoholism. In addressing himself to these issues in recent weeks, Mr. Kennedy seems to have been testing the waters of public reaction and found them tepid, even indifferent.

He may be wrong, just as he may find many in the country who believe that he should not incur the risk of a third

Kennedy assassination, with all the turmoil this may mean for the country. The Carter camp, for all its dislike of the Kennedy mystique, will probably not raise the issue, but that does not mean it is not there.

The scales, therefore, may be a bit more finely balanced than Washington thinks at present. Some resident seers, like Senator Russell Long from Louisiana, are convinced a Kennedy-Carter contest could go either way, though their voice is a minority.

Of course, it has to be pointed out for the unpeopled candidates, have the option not to run.

Brown endorses U.S. strike force

By David Bethan in Washington

MR. HAROLD BROWN, the Defence Secretary, told Congress yesterday that his Department was giving "a high priority" to the establishment of a 100,000-strong force which could be rapidly deployed to trouble spots outside the NATO area.

The Defence Secretary's public endorsement of the controversial "strike force," which would group together certain existing U.S.-based units not committed to NATO defence, came in his testimony to the Senate Foreign Relations Committee, and was designed to show the Administration was committed to a stronger defence effort, even with the SALT II arms treaty now pending in the Senate.

The outcome of the SALT debate has now come to turn largely on the issue of increased defence spending. This week, the Senate approved an increase of \$3.2bn in the 1979-80 defence budget, about 3 per cent in real terms above the expected inflation rate. The Carter Administration has backed this move, though this week it tabled a slightly smaller defence increase.

Mr. Brown yesterday did not categorically rule out a still larger increase in the new budget, telling the Senate committee: "I believe 3 per cent provides the proper balance and what is prudent. However, we continue to review that, and if that proves not enough, we will recommend more."

Worldwide check on DC-9 jets

By Michael Donne, Aerospace Correspondent

FATIGUE CHECKS on the rear pressure bulkheads of about 110 of the 833 McDonnell Douglas DC-9 jets in service are being conducted by airworthiness authorities world-wide, following the failure of a bulkhead in an Air Canada DC-9 on Monday. The checks are being carried out only on those DC-9s which do not have a rear stairway, but instead have an emergency exit door in the rear bulkhead, and on aircraft which have more than 15,000 landings and which have not previously been modified to strengthen the rear bulkhead.

The Air Canada jet was just such an aircraft. En route from Boston to Nova Scotia, the rear pressure bulkhead blew out, taking the emergency door and tail-cone with it, at an altitude of 25,000 ft. A drinks trolley was sucked out of the cabin, but no passengers were injured, and the aircraft was able to return to Boston and land safely.

But the incident could have been much worse, and has clearly worried the world's airworthiness bodies, including the U.S. Federal Aviation Administration, in the wake of the DC-10 disaster earlier this year.

The U.S. National Transportation Safety Board yesterday indicated that in the past, there had been six incidents of the tail cone at the rear pressure bulkhead of DC-9s coming off on the ground, as a result of fatigue cracks induced by clumsy handling during training and maintenance.

Petrol rationing plan progresses

By Our U.S. Editor

PRESIDENT CARTER'S plan for a standby petrol rationing plan took a step forward yesterday with a ruling by a House and Senate committee on Congress's powers to block the measure.

The outcome of the committee's protracted deliberations now has to be referred back to both Houses for approval.

The agreed committee formula makes it difficult for Congress to block the plan itself. Under it, any plan the President submits would go into effect automatically within 30 days unless both Houses disapprove it by joint resolution.

Even then Mr. Carter could block their resolution by a veto, which could only be overturned if both Houses so voted by a two-thirds majority.

The President could then implement the plan if there is a 20 per cent petrol shortage for a minimum period of 30 days. This could be blocked again by a joint resolution of both Houses. If the President wants to impose rationing where the petrol shortage is less than 20 per cent, both Houses can concur by waiving the shortage provision.

The compromise, it is thought, will be acceptable to the Senate but could cause problems in the House.

Build-up of stocks stems fall in GNP

BY OUR U.S. EDITOR

U.S. GROSS National product may show little, if any, decline in the third quarter largely because of the build-up of stocks in recent months.

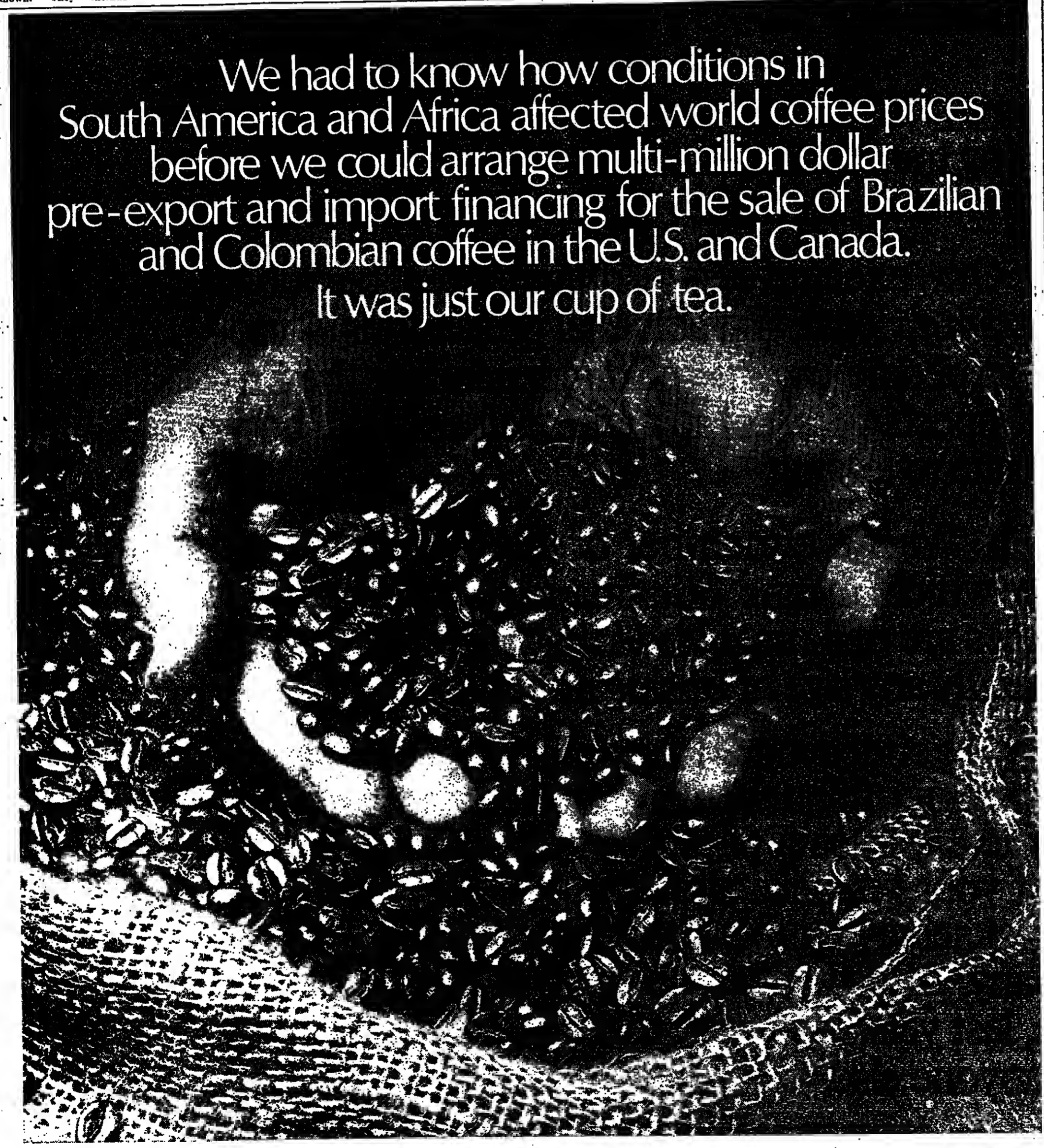
This qualified prediction was issued yesterday by Mrs. Courtenay Slater, the Commerce Department's chief economist, along with the publication of the final revised figures for GNP for the April-June period.

These showed a decline in real GNP (i.e. adjusted for inflation) of 2.3 per cent at an annual rate, fractionally less than the 2.4 per cent previous estimate issued a month ago. In the first quarter GNP grew at a

real annual rate of 1.1 per cent.

A "recession" is classically defined as two or more consecutive quarters of contraction of growth. It is universally agreed that the country is currently in the throes of a recession, but Mrs. Slater's tentative forecast raises the possibility that the statistical evidence will not correspond with reality.

The build-up in stocks which kept industrial production quite steady until last month's 1.1 per cent fall—could, however, mean deeper economic problems in the final quarter, if, as appears logical, companies decide to reduce their stocks on hand and sharply scale down their factory orders.



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Help BLESMA, please. We need money desperately. And, we promise you, not a penny of it will be wasted.

امكزاسن الذ اول

\$150m bulk carrier orders for S. Korea

By Ron Richardson in Seoul

THE LARGEST of South Korea's shipyards, Hyundai Shipbuilding and Heavy Industries, has won orders worth a total of \$150m for the construction of five bulk carriers. All the new contracts came during August, making it the company's most successful month for four years, pointing to the first signs of a recovery in the local shipbuilding industry in line with rising new order activity in other countries. Shell International Marine, of UK, placed an order for two 120,000-ton coal carriers at a contract price of \$35m each for delivery in May, 1981. Two companies from the Salen group, of Sweden, ordered 60,000-ton bulk carriers at a cost of \$20m, while Tehhu Cargocean Management, of Hong Kong, also placed an order for a 60,000-ton bulk vessel, to cost about \$30m. The new contracts brought the Hyundai yard's orders for the year to \$250m for nine vessels with a total deadweight tonnage of 640,000 tons. This accounts for a large proportion of the total \$350m of new business secured by all South Korea's yards so far this year.

JAPANESE AND E. EUROPEAN BEARINGS

EEC to go ahead with dumping probe

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT IN BRUSSELS

THE EUROPEAN Commission has decided to open a new anti-dumping inquiry into ball and tapered roller bearings from Japan, only some two years after securing a voluntary commitment by the main Japanese manufacturers to raise their export prices. The inquiry will also cover bearings from the Soviet Union, Poland and Romania which, it is alleged, are being dumped on EEC markets at prices even lower than those of Japanese exports. The move stems from complaints lodged last May by the Federation of European

Bearings Manufacturers (FEEMA), which said that its members were being injured by the continuation of unfair and illegal trading practices by Japanese exporters. According to the Commission, the volume of Japanese exports to the EEC has contracted since it opened its last bearings inquiry in November 1976 and now accounts for about 13 per cent of the total EEC market. The Soviet and East European share of the market is much lower. But despite an absolute fall in Japanese exports, the Commission said that Japanese prices were still generally

lower than those of European producers and caused persistent depression of prices on European markets. European manufacturers had been unable to recoup cost increases with price rises and suffered losses as a result. Commission officials said that some of the Japanese bearings were being sold out of stocks already built up in the EEC at prices between 15 and 65 per cent below the level on the domestic market. The dumping margin on Soviet and East European exports ranged from 50 to 66 per cent. The last dumping inquiry

resulted in the imposition by the EEC of a 15 per cent duty on bearings exports from Japan. But the duty was later annulled by the European Court of Justice after the Japanese producers agreed to raise their export prices by about 20 per cent. The Japanese manufacturers affected by the latest inquiry are the same as those involved in the earlier case, Koyo Seiko, NTN, NCK and Nachi. The brand names of the East European exports under investigation are FLT from Poland, URB, FRB and FRA from Romania and GPZ from the Soviet Union.

Dunlop in French tyre deal

By Terry Dodsworth in Paris

DUNLOP, the UK tyre company, has made a breakthrough in the French market with its run-flat Denovo tyre which has been accepted by Peugeot for fitting as a factory option to its 104 GR model. This is the first time Dunlop has won a contract to supply the Denovo as an original equipment in France. The Denovo, launched in Britain several years ago, is designed to retain some of its shape after a puncture. The heavy cost of fitting the tyre, however, has put it at a disadvantage in the market. On the Peugeot 104 GR, the extra cost of the Denovo is about FFr 900 (288) a car.

Mexican deficit up sharply despite higher oil revenues

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO'S TRADE deficit in the first seven months of this year of the year increased by 38 per cent over the 1978 period to \$1.49bn. The rising import bill is the main factor coupled with the sluggishness of the non-oil exporting sectors. The deficit for the first quarter was \$396m and in the second quarter it shot up by \$1.1bn more. Oil exports are behind target because of port congestion and technical problems, and so the inability of other sectors, particularly manufactured goods, to export more has become even more acute.

But for the dynamic oil sector, the deficit would have been greater. Oil accounted for more than a third of total exports of \$4.49bn. Exports increased by 48 per cent to a total of \$6.23bn. At the same time the Banco de Mexico, the central bank, has belatedly released figures which show that the current

Fujitsu seeks U.S. link

BY RICHARD HANSON IN TOKYO

FUJITSU LIMITED, Japan's leading computer manufacturer, said yesterday it will conduct a feasibility study for the establishment of a joint venture in the United States with TRW Inc. of Ohio to market computers and equipment. The study will take six months. The companies have tentatively agreed that Fujitsu would hold the majority share in any new company, and that initially sales would be of Fujitsu computer terminals

used in point-of-sale and automatic banking systems. The second stage would be to introduce medium-size computers and Fujitsu's full line of computer products, with the exception of large-scale computers, which it now sells through Amdahl, and magnetic tapes, which it sells through Memorex. TRW makes cash dispenser terminals and a wide range of other products. Fujitsu said that such a venture would be a significant step in its overseas expansion.

Steel mission to China

TOKYO — Seven major Japanese steel makers are to send a mission to China on October 25 to inspect China's heavy industrial plants and steel mills in Shanghai, Anshan and other industrial cities. The mission, headed by Nippon Steel's managing director, Mr. Nobuo Fukuda, will hold a series of meetings with Chinese officials on problems surrounding technical co-operation between the two nations, the Japan Iron and Steel Federation said.

Peking on a nine-day business visit to China where he is meeting Chinese officials to exchange views on closer trade ties with China in the electronics equipment field. Canada wants to increase imports from China to redress its current trade imbalance and has offered Peking technological expertise in agriculture and energy, according to Mr. James Jerome, speaker of the Canadian House of Commons, who was co-leader of a Canadian parliamentary delegation just returned from a 10-day visit to China. Agencies.

IVECO wins U.S. contract

By David Lascelles in New York

IVECO, the Italian-West German lorry master, has received an order for 500 lorries from JarTran, the U.S. lorry rental and services company. The deal, for 450 mid-range trucks and 50 tractors, is worth over \$10m and represents the largest sale of IVECO's Magirus type diesel trucks to date. IVECO, jointly owned by Fiat and Klockner Humboldt Deutz, is one of the few foreign truck-makers with a U.S. dealer network.

KLM orders Boeings

BY CHARLES BATCHELOR IN AMSTERDAM

KLM-Royal Dutch Airlines has ordered three Boeing 747s worth Fl 415m (\$208m) together with spares, bringing its 747 fleet to 16. The new aircraft, two in the larger "M" version, will be delivered in September and December 1980 and October 1981. They will be powered by General Electric CF6-50 engines.

The order is part of the Fl 4bn (\$2bn) investment programme in aircraft and ground facilities recently announced by Mr. Sergio Oriandini, KLM chairman. The decision to buy the 747s does not mean that KLM has dropped the Douglas DC-10 from its fleet plans, a spokesman said. It already has seven DC-10-30s in operation.

Comecon criticised for not assisting Third World trade

BY FRANK GRAY IN BERLIN

THE COMECON countries were criticised yesterday for failing to help Third World nations improve their volume of trade. The criticism came from Herr Dieter von Wurzen, Secretary of State in the West German Economics Ministry, at the opening of the 17th annual Overseas Import Fair, the theme of which is increased trade between industrialised and developing nations. Herr Wurzen called for continued collective support for developing countries. The East European countries were especially urged to make "greater efforts in this respect." "These state-run economies took only 3.3 per cent of the total exports of the Third World in 1977, compared with 71.8 per cent supplied by the OECD countries," he said. "A similar ratio can be found with regard to the efforts made in providing aid." West Germany, which is itself often criticised for the low level of its bilateral aid to the Third World, contributed DM 5.4bn towards industrial projects in developing countries up to the end of last year. The state-owned German Development Company was also involved in some 30 industrial projects in 50 developing countries. The State Secretary stressed, however, the need for Third World countries to bear the main burden of their own development in the years ahead. As they developed, he said, they would have to be prepared to assume the obligations of an industrialised nation. "By this is meant not only the gradual dismantling of the advantages derived from customs preferences in the markets of Europe, but also the drastic dismantling of some of the restrictions they placed on imports." The important objective of developing countries was to expand the processing of their own raw materials. The imposition of export embargoes was not always the correct solution. "Instead, the necessary economic precautions have to be taken, for example, in the development of the infrastructure or in the promotion of professional training, thereby making further domestic processing effective," he said. At this year's fair, being held in Berlin's new congress centre, some 604 exhibitors from 54 countries are exhibiting samples of their export goods. A total of 22 Mediterranean and Asian countries are represented at the Fair, as are 17 African and 15 Latin American nations. The Fair ends on September 23.

Leslie Collitt adds: The developing countries are turning up in ever larger numbers at East European trade fairs where their exhibits attract crowds fascinated by the often exotic handicrafts on display. Comecon countries, however, are more interested in the raw materials they have to offer, while the developing countries want access through barter trade to advanced technology. Eastern European trade with the developing world rose from a negligible base in the 1960s to just under 10 per cent of Comecon foreign trade in 1977. In that year 13.4 per cent of Comecon's exports went to developing countries while 8.2 per cent of imports stemmed from them. By comparison with 1970, though, the developing nations' share of Comecon's trade fell three points, while Comecon's trade with Western industrial countries rose eight points. Among Comecon countries, Romania conducts the highest portion of trade with developing countries, 21.3 per cent of its exports and 15.8 per cent of its imports. The Soviet Union had the lowest level of trade with these countries, 6 per cent of its exports and 9.9 per cent of its imports. The Comecon countries largely import fuels and other raw materials from the developing countries which constitute 57 per cent of their imports from them, while farm produce makes up 36 per cent. East Germany, which has boosted its trade with developing countries from E. German Marks 1.1bn (£270m) in 1965 to E. German Marks 5bn last year out of a total trade volume of E. German Marks 98.8bn, conducts its main trade with developing countries that have risen from E. German Marks 181m in 1973 to E. German Marks 724m last year because East Germany imported more than 1m tons of Iraqi oil. East Germany's trade with Syria rose to E. German Marks 405m last year and included more than 300,000 tons of oil. Increasingly the Comecon countries are discovering that their toughest competitors in Western markets are often developing countries with their low cost textile exports and This may industrial wares. This may explain why Poland, for example, is increasingly entering into industrial co-operation agreements with developing countries which deliver components for machinery to Poland using Polish blue-prints and know-how and their own labour.



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Oil costs hit India trade

BY K. K. SHARMA IN NEW DELHI

THE GROWING burden of expensive crude and petroleum products is reflected in the latest trade figures released by the Indian government. These show a higher deficit for the April-July period despite a healthy buoyancy in exports. The trade deficit for the period rose to \$5.5bn rupees (about \$200m) compared with \$2.6bn until June, though the value of exports rose by nearly 21 per cent compared with the corresponding period of last year. Exports during April-July are provisionally estimated at \$19.7bn compared with \$19.3bn in the correspond-

ing period of 1978. Imports, however, rose by 21.6 per cent to \$23.27bn compared with \$19.13bn. Since exports of engineering goods have declined sharply, the rise in exports is thought to be due mainly to better returns from commodities such as jute and tea, since world prices of these are rising steadily. In July, 1979, exports were provisionally estimated at \$3.92bn, a rise of 1.47 per cent over those in July, 1978. Imports in July this year were provisionally estimated at \$5.1bn compared with \$4.9bn a year ago.

UK NEWS

United front by Labour and Tories on council cuts

BY PAUL TAYLOR

CONSERVATIVE and Labour local authority leaders in the Association of Metropolitan Authorities reached a fragile agreement yesterday on their attitude to Government spending cuts.

cover pay and price inflation in 1980-81, so that they could plan expenditure for next year.

to 55 or even 56 per cent. This, widely expected, if coupled with "unrealistic" provisions for pay and price inflation, would give councils real cash problems.

Marine insurers face poor results

Financial Times Reporter

MARINE insurers were told yesterday that this year's results in London were expected to be the worst for decades.

A conference of more than 500 marine insurers from 40 countries heard that leading underwriters from the London market believe the business is heading for a crisis.

Formula It showed the substantial reduction in premiums allowed during the last three years on some 60 large fleets.

CBI to start work soon on strike insurance scheme

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

DETAILED PLANS for an employers' strike insurance scheme based on a mutual fund, and possibly including an element of reinsurance, are to be drawn up by the Confederation of British Industry during the next few weeks.

The CBI does not expect to have a scheme operating in time to help protect companies from strikes this winter.

Behind the idea lies a belief among top industrialists that the balance of financial risk in a strike should be changed so that unions have to pay more strike pay to their members while employers can protect themselves against their companies' financial losses.

Attempt to reach Sasse settlement

BY JOHN MOORE

A SERIES of meetings are to take place today between counsel representing Lloyd's of London and members of the troubled Sasse syndicate in an attempt to settle a dispute between Lloyd's and the syndicate out of court.

This seeks an injunction against the defendants from enforcing demands to make payments in respect of disputed underwriting years pending trial of an action against them.

Meetings are scheduled at Lloyd's this morning with legal counsel. Mr Justice Donaldson is expected to be available for advice on the matter.

Boroughs launch cash plea for London

BY OUR OWN CORRESPONDENT

THE London Boroughs Association launched a campaign yesterday to persuade the Government of the special cash needs of the capital.

Mr. Peter Bowness, chairman of the association, which represents the 32 London borough councils, said the rate support grant was still unfair to London ratespayers.

ILEA plans 5% cuts next year

By Michael Dixon, Education Correspondent

BRITAIN'S biggest education authority plans to cut its budget for next year by 5 per cent—£25m—in line with Government policy.

Mr. Ashley said the cuts were being designed to protect four main aspects of the ILEA's services.

Stick problem for Mastermind

SUPPORTERS of the Welsh Language Society yesterday put glue on the locks and handles of six BBC outside broadcast vans recording a "Mastermind" programme at Aberystwyth.

The society is campaigning for a Welsh television channel.

Electronic telephone system goes on show in Geneva

BY JOHN LLOYD

SYSTEM X, the new generation electronic telephone system developed by the Post Office and its three main suppliers, was on show for the first time yesterday at the Telecom '79 exhibition in Geneva.

The system, which Sir William Barlow, Post Office chairman, claimed was among the most advanced in the world, is being made by the General Electric Company (GEC), Plessey and Standard Telephone and Cable.

Somehow much of the visible display is the now familiar rectangular boxes containing layers of circuit boards, the working of which appears several pumps of technology ahead of what most UK subscribers can enjoy.

At the same time, the Post Office is demonstrating a full range of its NCT—new generation—telephone apparatus, which will be offered to the public from next year and will eventually become standard equipment.

In interest on the first day came mainly from fellow exhibitors as Telecom '79 is open to the public only from today.

An indication of the strength of that competition is to be found in the sheer size of the exhibition in which more than 600 exhibitors sprawl over 70,000 square metres.

Post Office forms organisation for overseas consultancy

BY MAURICE SAMUELSON

THE POST OFFICE has established a new organisation which will help it to expand its growing overseas consultancy work.

The Britel plans were finally shelved because Cable and Wireless, which wished to retain its independence, was uneasy at the Post Office's marketing links with Plessey, General Electric Company and Standard Telephone and Cable.

ICI heart drug case settled

By Sue Cameron, Chemicals Correspondent

IMPERIAL CHEMICAL INDUSTRIES has reached an out-of-court settlement with Racey's, a Great Yarmouth chemist, over the infringement of patent rights on propranolol, one of ICI's heart drugs.

Two weeks ago ICI heard that propranolol tablets were available at Racey's and that they were similar in colour, size and shape to Inderal.

The drug, which is available on prescription only for sufferers from high blood pressure and angina, is sold by ICI under the name Inderal.

Alderman challenge

AN APPLICATION by Mr. Donald Silk, a solicitor for leave to challenge a vote on his selection as Alderman for the City of London ward of Aldersgate was adjourned after a private hearing in the High Court.

Pollution exercise

A TWO-DAY exercise in combat-ready oil pollution on the West Coast of Scotland has finished. A fisheries protection vessel, tugs, a light aircraft and the Department of Trade and local authorities took part.

Earlier launch for Allegro 3

BY KENNETH GOOING, MOTOR INDUSTRY CORRESPONDENT

THE GROWING UK demand for small cars has forced BL to release its new Allegro 3 ahead of the planned October launch.

The changes, started in June last year with Princess 2, were followed in the autumn with new versions of the Marina and Sherpa, all three being fitted with new "O" series engines.

Former civil servant may sue

BY RAY OAFER, ENERGY CORRESPONDENT

MR. ALAN BLACKSHAW, a former under-secretary at the Department of Energy, said last night that he was considering legal action as a result of his name being linked with the wrongful payment of over £52m to the North Sea oil supplies industry.

The past week has been an unpleasant experience and I am glad now to be able to concentrate again on my business consultancy and writing on mountaineering and skiing from my home in Scotland.

'Successor' to Reveille

FINANCIAL TIMES REPORTER

A WEEKLY magazine intended to pick up most of the readers of Reveille, which ceased publication last month, is to be launched next week.

Reveille, which was owned by the Mirror Group, closed after a three-week strike by National Graphical Association machine managers.

Revue, the idea of Mr. Philip Davies, a 36-year-old former Guardian employee, who registered a company, Home and Law, last year to publish Exchange Contracts, a quarterly magazine with a circulation of 32,000 for home-buyers.

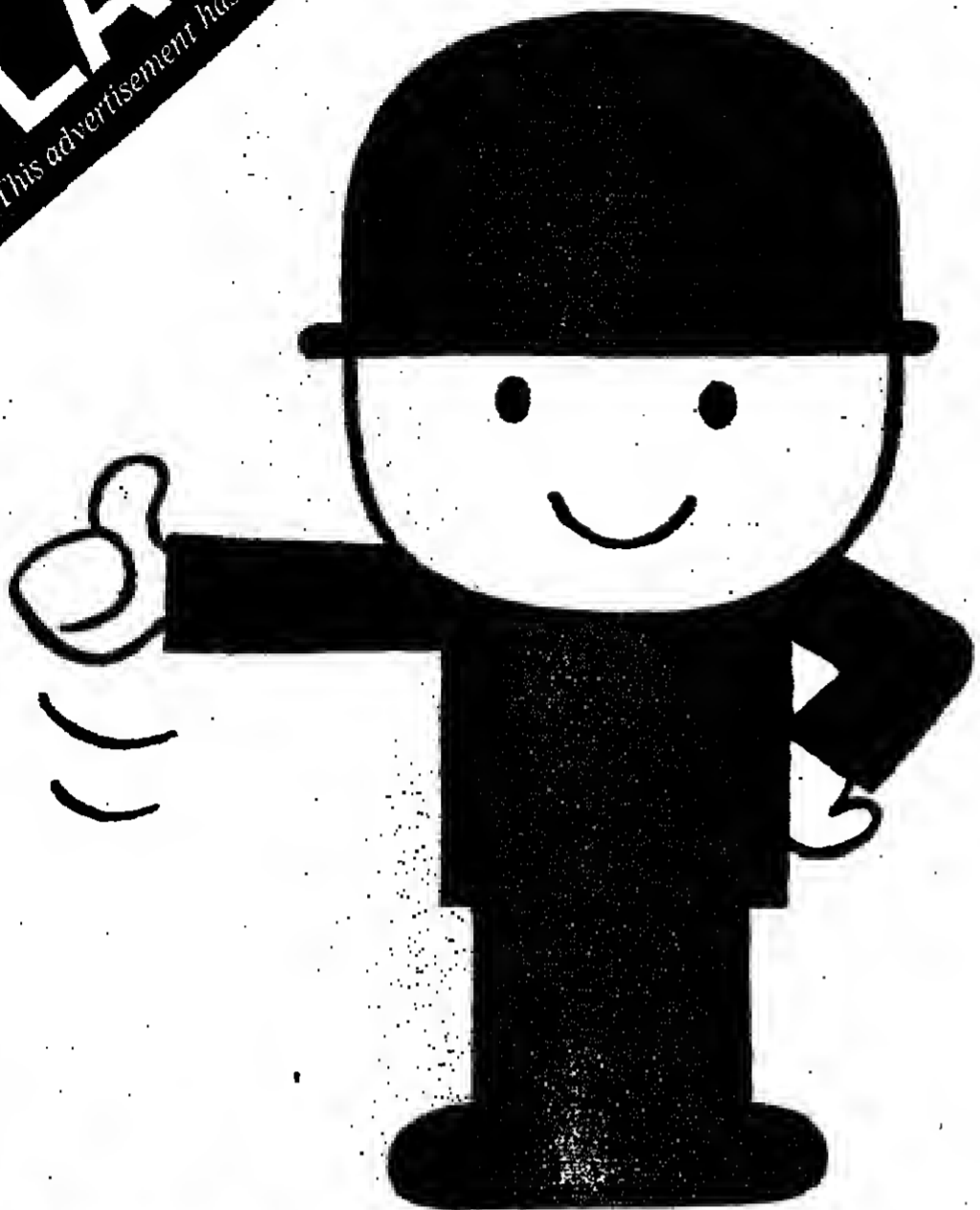
ONE OF THE BEST WAYS TO MIND YOUR OWN BUSINESS IS TO TELL US ABOUT IT



Advertisement for London Industrial Centre. It features the headline 'ONE OF THE BEST WAYS TO MIND YOUR OWN BUSINESS IS TO TELL US ABOUT IT' and lists several services: 'We're here to help industrial and commercial companies grow more easily in London.', 'If you need help on planning or finance, tell us.', 'If you want to move, tell us.', 'If you want new premises, tell us.'

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**Your Chairman's message is clear.
Ignore the offer. Do not sign any document sent by Dalgety.**

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NICK GARNETT REPORTS ON THE ENGINEERING CRISIS

Why the employers are digging in

ENGINEERING employers have shown unprecedented unity against conceding the unions' claim on national minimum pay rates and hours. Officials of the Engineering Employers Federation are the first to admit that, in the past, their 6,500 member companies have been prone to go their separate ways in defiance of any national code.

Lawson rescue problems

By Ray Ferman, Scottish Correspondent
THE £2.5m rescue of Lawson of Dyce, the Aberdeen-based pork products manufacturer by North Eastern Farmers and the Scottish Development Agency has run into problems with unions.

Talks aim at GEC settlement

By Gareth Griffiths, Labour Staff
EXPLORATORY TALKS aimed at ending an eight-week strike by 2,000 hourly-paid workers at the General Electric Company factories at Stafford yesterday held out little hope of a quick return to work.

ITV peace discussions start today

By Gareth Griffiths, Labour Staff
ONE OF the unions in the dispute at Independent Television which has blacked out screens for six weeks said yesterday it was too early to estimate the chances of success.

Metal workers may join AUEW

Labour Correspondent By Alan Pike

DELEGATES to a special conference of the 75,000-strong Sheet Metal Workers' Union yesterday voted in favour of becoming part of the Amalgamated Union of Engineering Workers.

Atom men are offered 14-27%

By Philip Bassett, Labour Staff

ONE OF the first public sector pay offers in the new round was forwarded yesterday by the United Kingdom Atomic Energy Authority for its 4,500 manual workers.

Builders attack negotiating body

By Philip Bassett, Labour Staff

BUILDING EMPLOYERS yesterday sharply criticised a new negotiating body in the construction industry which they claimed would weaken industrial relations and lead to leaping wages claims.

BL shop stewards to seek 26% rise for all workers

By Arthur Smith, Midlands Correspondent

BL CARS' combine of shop stewards voted in Birmingham yesterday to press for a wage increase of £24 a week—26 per cent—for all workers from November 1.

University staff want 25% rise

By Gareth Griffiths, Labour Staff

CLERICAL and administrative staff at two universities have started action to block the registration of students, and it appeared yesterday that several universities could face week-long strikes.

Jenkin in clash

By Gareth Griffiths, Labour Staff

PICKETS at a London hospital were compared to "animals" by Mr. Patrick Jenkin, the Health Minister, when he clashed with them before opening a cancer treatment centre.

A FINANCIAL TIMES SURVEY BRITISH AGRICULTURE NOVEMBER 30 1979. To coincide with the Royal Smithfield Show the Financial Times proposes to publish a Survey on British Agriculture. The provisional editorial synopsis is set out below.

"Bloody Marvellous.. we get a problem - you get an opportunity" Says Lyndon Humphries of Blaenau Gwent. Like other special development areas around Britain, we could feature majestic mountain scenery or happy executives fishing for trout in wild waters...

JOBS COLUMN and APPOINTMENTS

Need to open, not shut, door to engineering

By MICHAEL DIXON,

WHATEVER Sir Montague Finniston was expecting as a first question from his audience, it could hardly have been a breathless request for the opening of the lecture-hall doors. But the chairman of the official inquiry into the engineering profession put the incident to good use.

Without a word, he stepped from the speaker's rostrum to the door, opened it and, returning to the platform, raised an admonishing finger.

"There, d'ye see, is an example of unnecessary human labour," he told the conference of the Association of Graduate Careers Advisory Services gathered at London's Imperial College—the Mecca of English technological education. "I could have opened the doors at the touch of a button... if this had been a proper technical college."

Sir Monty, who received his own formal education entirely in Glasgow, spoke at the conference but a few days before helping his committee to put the finishing touches to its recommendations. They will go to the Government next month and, all being well, he published before Christmas, some two years from the time of the committee's formation.

What the 60,000-word report says, and what the Government

does about it, seem sure to be important not only to engineers and manufacturing, but to all of us in the UK.

As the Finniston Committee chairman said: "God has not been very generous to this country. About 10 per cent of our Gross Domestic Product—3 per cent agriculture, 6 per cent coal, gas and oil; and 1 to 2 per cent tourism—is all we have been given."

The rest of our standard of living relied on the earnings largely of manufacturing and to a lesser extent on service industries many of which could not operate without manufactured products. And the improvement would depend on extensive automation of work which while rapidly diminishing the economic need for people to craft or labour with their hands, would make more and more important the technological understanding of engineers. Understanding of the same broad category would, moreover, become more and more important to the growth of new, as distinct from existing, industries on which the future of this country depends."

In considering how to ensure adequate supplies of people with the appropriate understanding, the last thing the committee has lacked is advice. And the most contentious public issue has been whether

or not approved professional registration should be required before people may practice engineering, at least at the level where deep theoretical appreciation is critical.

Which side of the contention the committee has endorsed, Sir Monty seemed at pains to keep secret. But on the need for the raising of engineering's professional status—one of the main grounds for advocacy of compulsory registration—he was vehemently in agreement.

'Male models'

Surveys in Germany, for instance, had ranked engineers equal first in public esteem with the medical profession. In the UK similar surveys had placed engineers low in the list of human occupations, with even male models above them!

He was also vehement about another ill which—by corraling the supply of permitted workers, compulsory registration might help to remedy. Although pay and conditions for engineers in the UK seemed satisfactory up to the age of about 30, the message of the career statistics for the 35-year-old was baldly: "Give up!"

Because from that age the prospects of promotion largely disappeared. By contrast, in more economically successful

countries, engineers generally had fair prospects of promotion to the age of 45 or more.

In my view, while I certainly do not belittle the poor pay and status as obstacles to ensuring adequate future supplies of appropriate engineers, there is a serious risk that compulsory registration would create problems worse than those it solved.

For one thing, the engineering genus consists of a great variety of species which surely must go on breeding new ones if we are to generate new industries. Approved registration is already required for certain kinds of engineering which importantly affect public safety and health, but to extend the requirement to the whole genus would surely lead to a degree of bureaucratisation far more liable to inhibit than to encourage the profession's adaptation to newly emerging needs.

Another worry is that compulsory registration would presumably make permission to practice importantly conditional on ability to meet the academic criteria of established engineering courses, many of which are of questionable relevance probably to most kinds of work that professional engineers are required to do. Readers who doubt this should study the submission made to

the Finniston Committee last year by the UK Engineering Professors' Conference.

The professors postulated that what "high calibre engineers" meant to the inhabitants of the education system could well be altogether different to the term's meaning to industrial employers. "This possible ambiguity must be resolved and any possible confusion eliminated. If this is not done satisfactorily (educational reform may still not produce the types of engineer required."

There was need for a radical review of engineering education, starting with research to discover what kinds of engineers industrial resurgence would require. Such radical steps would surely be only discouraged by further strengthening the influence of established academic criteria over the entry to engineering practice. Moreover, if this were to be the result of compulsory registration, it would seem to contradict Sir Monty's own view.

"Perhaps we've gone overboard on academic aspects of engineering," he told the conference. There was too little emphasis given to "learning-and-doing" within industry itself—a deficiency which needed to be made up by the provision of better organised on-the-job training by employers and at their expense.

His reason for this was apparently that by requiring employers to make an enlarged direct investment in the development of their engineers, employers would become more likely to view them as assets to be used productively, than as cheap imports to be stuffed into historically shaped slots in the company hierarchy.

To me, it seems that this latter, cheap-import tendency is probably the main key to the present lowly pay and status of engineers. If employers were generally to look on them instead as assets, they would surely have far greater prospect of being paid, and being publicly esteemed as such. And if employers felt that the raw material coming from the education system was unsuitable for conversion at their own expense into the engineers they required, then industry would have cause to take far more positive steps to have the education system changed.

So I hope that the Finniston Report and the Government support Sir Monty's view about the importance and funding of more organised training within industry. It offers the country a good prospect of opening the profession to the engineers we need. Compulsory registration on the other hand, could merely shut the door behind the sorts we already have.

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Leading Stockbroker 26-32

Our Client, members of the Stock Exchange, have one of the largest UK based international businesses. They are a medium/large firm which is research based and has a considerable reputation in institutional circles.

They seek a man/woman with at least two years' experience of the American market—this experience will almost certainly have been gained with an American broker. The person they need—probably a graduate—must be capable of developing rapidly in an expanding and possibly unique situation. The work will involve contact and dealing with both American brokers and UK/Overseas institutions.

A generous salary and bonus is envisaged but the exact level is negotiable. Please write or ring Colin Barry at Overton Shirley and Barry (Management Consultants), 2nd floor Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1884.

Overton Shirley and Barry OSB

Fidelity Unit Trusts

The international Fidelity Investment Group, based in Boston, currently manage investments of over £3,500 million, with an emphasis on American 'mutual funds' (unit trusts) and corporate accounts. Fidelity have now formed a U.K. company - Fidelity International Management Limited - to provide a full investment management service in the U.K. Initially, this company intends to enter the U.K. unit trust industry with the formation of several trusts and requires senior and middle management in the following areas:

Investment Managers

Experience of managing U.K. equity portfolios is the main requirement. A demonstrable track record, professional qualifications and experience of fixed interest or overseas markets would be of advantage.

As it is the intention to build a substantial U.K. investment management business over a period of years, these appointments will be made at varying levels. Directorships will be available to candidates of exceptional experience and demonstrated ability.

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This represents an outstanding opportunity to join a very large and rapidly expanding international organisation during the early development of its London offshoot.

Please write in strictest confidence, enclosing full curriculum vitae, to:
Richard Timberlake, Managing Director, Fidelity International Management Limited
Buckingham House, 62/63 Queen Street, London EC4R 1AD

Fidelity Investment Group Boston London Tokyo Bermuda

Manager

Finance and Administration

Rural Kent
over £13,000 + car

The task is to manage all financial and administrative functions within this newly formed subsidiary of a leading international group. Responsible to the Managing Director, success in this role will be a major factor in the company's development.

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accountants, with considerable management experience in finance, secretarial and other support areas.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to: R. J. Williamson, quoting reference 823/FT on both envelope and letter.

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Ayrshire

c. £9,500 + car

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for the Catering and Hotel industry

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Candidates must be Chartered Accountants aged from 30 with experience in managing an accounting function preferably within a catering and/or hotel environment. A thorough knowledge of computer-based information and accounting systems is important.

Brief but comprehensive details of career and salary to date, which will be treated in strictest confidence, should be sent to: C. R. Williams, Executive Selection Division, Ref: MG851, at the address below. Please include a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES (SCOTLAND) LTD,
Management Consultants
Highland House, Waterloo Street, Glasgow, G2 7DB.

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An additional member of the team is now required—someone who is able to make a positive overall contribution and who will welcome the wide-ranging responsibilities attached to this appointment.

A competitive salary and terms are being offered and there are excellent prospects for advancement within the firm.

Please contact initially, the consultant handling this appointment on behalf of the client—R. A. Novis,

Robin Marlar and Associates,
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Telephone: 01-235 9614.

Senior Analyst

We are looking for an experienced analyst aged 26-30, who has spent a minimum of five years in a Merchant Bank or Stockbrokers involved in company analysis covering a variety of U.K. and overseas industries. The successful candidate must have in-depth experience in financial analysis, technological knowledge, an ability to recognise synergy within industrial sectors and a good writing style. He, or she, must be a self-starter, capable of working with a minimum of supervision and able to participate in discussions at a senior level with corporate clients.

The position offers the opportunity to work at a senior level in a small specialised team within the Corporate Finance department. Promotion prospects within the Corporate Finance or other departments are good for the right candidate. In addition to a competitive salary, fringe benefits will include house mortgage assistance, non-contributory pension arrangements and free life cover.

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Kleinwort, Benson Limited,
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Age 35-48.

Salary c. £30,000

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Please write or telephone G. A. White, Managing Director. (P.S. 13003).

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Resumes including a daytime telephone number to E. H. Simpson, Executive Selection Division, Ref. SF615.

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Box FT/588, c/o Hanway House,
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Should there be any companies to which you do not wish your application to be forwarded, please list them in a covering letter addressed to the Appointments Manager.

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Applications should be sent to:
Angus Grossart, Managing Director,
NOBLE GROSSART LIMITED
48 Queen Street, Edinburgh EH2 3NR.

Oil Industry—London

Financial Accountant

c.£10,500 plus bonus

Due to recent staff transfers within the Group, we are now looking for a Financial Accountant. The candidate should be a qualified accountant, approximately 30 years of age, with at least three years' experience in industry or commerce since qualifying. Such experience should have involved working to regular monthly reporting deadlines and the candidate must show evidence of proven supervisory skills.

In addition to producing regular reports for management, the Accounting function has to make monthly multi-currency reports to the co-venturers in our various North Sea projects, and other data for various Government Departments.

The ability to manage staff is the prime prerequisite of this position and a knowledge of French would be an undoubted advantage.

The position is London-based but may entail some travelling.

We will offer to the right man/woman a salary of around £10,500 plus bonus, together with the sort of comprehensive benefits package that characterises a forward-thinking company in the Oil Industry.

For further details and an application form, please contact:

Mr. B. Caie, Personnel Officer,
Total Oil Marine Limited, Berkeley Square House,
Berkeley Square, London W1.
Telephone: 01-499 6050.

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Chief Accountant - £9,828-£10,995
(£13,251 from 1.1.80)

who will be responsible for the overall management of our accounting, financing and financial information systems.

Experience in a similar line management position is essential, coupled with the ability to make a major contribution to new systems developments.


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who will be responsible to the Chief Accountant for developing and running a comprehensive financial forecasting, budgeting and reporting package. This will entail contributing to longer-term computing developments and creating interim solutions within existing systems.

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Before writing giving details about yourself and your career to Steve Preston, Chief Officer—Financial Services Division, The Housing Corporation, 149 Tottenham Court Road, London W1P 0BN, telephone Miss Beverley Simmonds on 01-387 9466, ext. 371 for a job description quoting ref. 24

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The successful applicant will probably have a university degree, and if working in a bank an IB qualification or commensurate experience. Fluency in a European language will be an advantage as the position will require travel abroad.

Salary will be negotiable according to experience, but the position is unlikely to be suitable to applicants earning less than £8000 p.a. An attractive package of fringe benefits is available including a low interest house mortgage and company car.

Please apply with a full curriculum vitae, in strict confidence, to: Sarah Orwin, Assistant Manager, Recruitment and Manpower Planning, Citibank, N.A. P.O. Box 78, 336 Strand, London WC2R 1HB.

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Résumés including a daytime telephone number to E. J. Robins, Executive Selection Division, Ref. RA00.

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For further information concerning this appointment, contact either Douglas Llabias, F.C.A., A.T.I.L. or Nigel V. Smith, A.C.A.

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In the serious business of marketing yourself MINSTER EXECUTIVE provides the professional, individual and comprehensive career counselling service that has achieved outstanding results.

After evaluating your full potential we direct you through every stage of the job search, furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed. As professionals we have an unacknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED
28 Bolton Street, London W1Y 8FB. Tel: 01-488 1302/1065

Group Chief Accountant


Lancashire
c. £12,000 + car

For a well established and expanding group of industrial companies with an impressive growth record.

Reporting to the Group Finance Director, the Chief Accountant will assume direct responsibility for the accounting and administrative functions of the group and should contribute positively to the companies commercial development.

Applicants preferably 30-40, will be qualified accountants with senior management experience in a manufacturing group utilizing computer based systems.

For an application form, write in confidence showing how you meet the specification and quoting reference 1147/L, to Neville Mills, Peat, Marwick, Mitchell & Co., Executive Selection Division.



165 Queen Victoria Street,
Blackfriars,
London, EC4V 3PD
Peat, Marwick, Mitchell & Co

Chief Accountant

City to £14,000

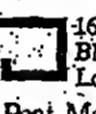
For the autonomous subsidiary of a leading US insurance company.

Reporting to the chief executive and general manager, the successful candidate will be responsible for the financial function of this well established operation.

Candidates, preferably up to 50 years of age, must be chartered accountants, with proven experience at a senior level in the insurance industry, and a knowledge of all appropriate regulatory procedures. Basic EDP knowledge would be an advantage.

There is an attractive benefit package.

For an application form, write in confidence showing how you meet the specification and quoting reference 3034/L, to J. H. Cobb, Peat, Marwick, Mitchell & Co., Executive Selection Division.



165 Queen Victoria Street,
Blackfriars,
London, EC4V 3PD.
Peat, Marwick, Mitchell & Co.

Advertising Manager

Financial Organisation c.£10,500

A nationally known financial organisation operating throughout the United Kingdom from headquarters in the South East of England has asked us to advise on the appointment of a new Advertising Manager.

Responsible to the Head of Marketing, the Advertising Manager will be expected to make a major contribution to the development of overall marketing strategy, including the identification of advertising and promotional objectives and the preparation of related plans and budgets. Above and below the line spend is well in excess of £1m per annum.

Ideal candidates are likely to be between 28 and 45 and have probably gained experience on both agency and client sides. The successful candidate will have proven ability in controlling and administering staff. Production experience of graphics and design would be advantageous.

Salary in the region of £10,500, non-contributory pension, BUPA, mortgage facilities at preferential rates make this a very interesting package for the right person.

Interested applicants should send brief but comprehensive details to the address below, quoting Ref. No. 0801/F7.

Charles Barker-Coulthard
30 Farringdon Street, London EC4A 4EA.
Telephone 01-236 0526
Management Selection - Executive Search

R. P. MARTIN & CO. LIMITED

International Money Brokers

Have vacancies for TRAINEES in currency deposits and foreign exchange.

Languages would be an advantage.

Write to the Personnel Manager,
36/40, Coleman Street, London EC2R 5AN.

FRAZER MAY INTERNATIONAL LIMITED

require

brokers experienced in the Foreign Exchange or Euro Currency or Sterling Markets for its planned expansion.

Please apply in writing to:

E. C. May, Esq., Chief Executive,
Fraser May International Ltd.,
78/80 Cornhill, London EC3V 3NH.

Partnership Prospects

Accountancy

The Gulf Area

A leading Arab firm of Public Accountants, internationally affiliated to one of the "Big Eight", requires a professional Accountant for a senior position in The Gulf area. It is intended that the successful candidate will be offered a partnership in the firm when he has proved his ability.

Candidates, qualified CPA, ACA, or ACCA, must be Arab nationals and must have at least 7 years professional post qualification experience. Preferred age is around 35.

An excellent tax-free salary will be offered, and the benefits will include free housing, car allowance, and medical and life cover. In addition, it is company policy to provide regular professional training at all levels.

Please send brief career details - in confidence - to A. R. Duncan ref. B.1072-3.

MSL middle east
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Manager

Business Development - London

A major British group with a turnover in excess of £250m. and pursuing a vigorous policy of profitable expansion requires a Business Development Manager for its international division. Reporting to the divisional chief executive the successful candidate will have ample scope for using acquisition analysis and negotiating skills both in the UK and abroad. A general management appointment can be earned within three years.

Candidates, ideally aged about 30, must be graduates in a numerate discipline and have relevant experience in business development and company acquisition, gained in a substantial industrial group; experience in a line appointment involving man management is desirable.

Salary negotiable up to £14,000 + car, BUPA and other benefits.

Please write - in confidence - to J. M. Ward ref. B.41378.

This appointment is open to married women.



United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
MSL
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Assistant Secretary (Finance)


for the Cheltenham & Gloucester Building Society at their Chief Office in Cheltenham. The Society has assets exceeding £600m. and 99 branch offices throughout the UK. In this new appointment, the Assistant Secretary (Finance) will lead an existing team engaged in computerised accounting, internal audit and financial planning and management.

Candidates, preferably aged 30 to 35, must be chartered accountants with broad experience including audit and computer systems, probably acquired in the financial sector.

Salary about £10,000. Contributory pension. Car provided.

Please send relevant details - in confidence - to P. Hook ref. B.26439.

This appointment is open to men and women.



United Kingdom Australia Belgium-Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.
MSL
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

HAROLD HOLT LTD

require a
FINANCIAL
CONTROLLER

A qualified accountant, with management opportunity for the right person, is required by this leading firm of international concert impresarios and music agents. Salary up to £8,500 p.a. Reply in writing with full curriculum vitae to the Chairman, Harold Holt Ltd, 124 Wigmore Street, London W1

ACCA or ACMA? Mid-20's?

Up to £8,500 p.a. package, to develop centralised computer-based accounting systems for nine subsidiaries of West London-based group. Tel: 01-629 7388/8633.

MANAGEMENT CONSULTANTS (SELECTION) LTD.





MARKETING EXECUTIVES

Stockbroking

Our client, a leading City firm of stockbrokers, is expanding its institutional activities and is seeking additional top calibre people to assist in this growth.

The openings should be of interest to partners or senior executives with first class reputations in their specialist fields who see limited scope for financial growth and/or promotion in their present positions.

Terms are entirely flexible and will not be a limiting factor.

Resumes including a daytime telephone number to J. G. Cameron, Executive Selection Division, Ref. C204.

COOPERS & LYBRAND ASSOCIATES LTD.

Management Consultants
Shelley House, 3 Noble Street, London, EC2V 7DQ.

International Economists

The Grindlays Bank Group is a major international banking organisation, employing some 13,000 people in 36 countries. The Economics Department advises the Bank and its customers on the business implications of economic events, both past and future.

A particularly important aspect of the Department's work is the assessment of country risk. Other areas of work include money market analysis, exchange-rate forecasts, long-range forecasting for planning purposes, and assisting the Bank's marketing programme through the publication of reports and articles.

The Bank is now seeking to develop its Economic Department by the recruitment of suitably qualified economists. The necessary qualifications include:

- an understanding of international banking, probably acquired through 3 or 4 years' experience with an international financial institution
- ability to communicate effectively with non-economists
- ability to work under pressure
- a good academic background

Experience of working in less-developed countries is also important, as is foreign language proficiency.

Salaries will depend on experience and qualifications, but will be at least £7,000 and could be significantly higher for particularly well-qualified candidates.

An excellent benefits package includes subsidised mortgage and non-contributory pension scheme.

Please write with full career details to: R. J. E. Barker, Manager, Group Appointments, Grindlays Bank Limited, 36 Finchurch Street, London EC3P 3AS.

Grindlays Bank Limited

General Manager Operations

City c.£14,000 + benefits

Our clients, a substantial overseas trading and banking organisation are expanding their interests by the formation of an international banking group with major operations in the UK.

Reporting to the Managing Director, the General Manager - Operations, will be a member of the senior management team and expected to contribute positively to corporate planning and decision making. In addition to establishing and supervising the operating procedures, accounting systems and controls, he/she will be responsible for personnel administration and will act as company secretary.

Candidates, probably 30-40 must have several years senior managerial experience in an international bank and should be fully conversant with bank reporting and management information systems. Fringe benefits, which include a company car, are of a high standard.

For an application form write in confidence showing how you meet the specification and quoting reference 1511/L, to Neville Mills, Peat, Marwick, Mitchell & Co., Executive Selection Division,

165 Queen Victoria Street, Blackfriars, London EC4V 3PD.
Peat, Marwick, Mitchell & Co.

LOANS OFFICER

£10,000-£15,000 + Benefits

Our client is a major international bank with a business development commitment of expanding the international corporate lending activities. This policy is based on a good quality, broadly-based portfolio.

A Loans Officer is required to develop new U.K. business and to maintain and develop the existing loan portfolio of U.K. clients.

You will have had a formal credit analysis training and experience in writing your own loan proposals and you are interested in developing new lending techniques. You will be required to implement your own marketing programme.

You will be in your late 20s to early 30s and you are looking for an opportunity offering greater freedom and authority within a compact London branch.

Please telephone JACK S. PINE, Consultant, Ref. 4504.

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

Corporate Finance Executive

Merchant Banking £12,000 neg. + good banking benefits

Our client is an International Merchant Banking Group, based in the City. Due to continued expansion a new position has been created for a further Executive to join the Corporate Finance team.

The nature of the duties encompasses domestic and international work. The scope of this position is very large and calls for a mature personality coupled with a high level of technical achievement.

The successful applicant must be capable of working on his/her own, and of representing recommendations to clients as well as acting in specific technical areas as a team member.

The person will have had excellent previous Corporate Finance experience, or will have recently gained a very good professional qualification, and will look to progress in this mercantile bank.

Please write in confidence to:
DAVID CLARK, F.C.A., Consultant
Ref. 3501

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

CORPORATE PLANNING

Our client is a major group with a wide product base and a multinational sales and manufacturing structure based in London.

The current requirement is for someone with a financial background in a manufacturing environment.

The ideal candidate will be a qualified accountant or business school graduate who can demonstrate experience in a line accounting role and who is experienced in the areas of financial planning, capital expenditure analysis and who is used to liaison with a marketing department.

Knowledge of the wider aspects of corporate finance, such as acquisitions, appraisal and treasury work, would be an advantage.

This position will interest candidates currently earning around £10,000. If you wish to discuss the position further please telephone or write to:

RICHARD WILSON, M.A., Consultant, Ref. 33703.

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01 353 1867

BUCKMASTER & MOORE

Senior Executives in the stockbroking profession are invited to discuss several opportunities we can offer within our firm.

However, only those Seniors, with really first class experience, would be considered eligible for these executive positions.

For a preliminary discussion, in complete confidence, please contact:

Harry France, Managing Partner

Buckmaster & Moore

The Stock Exchange, London EC2P 2JF.

Telephone: 01-588 2868

North Sea Oil FINANCIAL CONTROLLER

Up to £15,000 + car London

Our client is the UK subsidiary of a Canadian company engaged in the extraction of energy resources. An office is being established in London and a Financial Controller is required who will report to the Managing Director and have the following responsibilities:

- * establishment and maintenance of all financial records, systems and controls
- * preparation of management and statutory accounts
- * cash flow management
- * advice in all aspects of Corporation Tax, Petroleum Revenue Tax, Exchange Control and Pension Fund requirements
- * act as Office Manager and Company Secretary

Applicants should be chartered accountants in the age range 30-40. Oil industry experience is not required but would be an advantage. Please send a comprehensive career résumé, including salary history, quoting ref. 1006/FT



Touche Ross & Co. Management Consultants

4 London Wall Buildings, London EC2M 5UJ. Tel: 01-588 6644

Senior Negotiator

London c. £12,000

British Gas Headquarters wishes to recruit a suitably qualified man or woman for the above position in their Purchasing and Supplies Department.

Applicants should have the following qualifications: a good honours degree or relevant professional institute membership, possibly backed up with a business school qualification. It would be an advantage to have a thorough understanding of, and experience with, project appraisal and market evaluation studies - preferably but not necessarily in the petroleum business - and extensive first-hand knowledge of large commercial negotiations; experience of Government and industry inter-relationships possibly derived from involvement with the Civil Service; the professional ability to conclude soundly based contracts; and be able to delegate to staff and motivate them.

The salary will be c.£12,000 p.a. and the benefits are those normally associated with a major progressive organisation.

Applications giving age, qualifications, experience, current salary and quoting reference number EA 750401 OB should be addressed to: Personnel-Manager (HQ), British Gas, 59 Bryanston Street, London W1A 2AZ.

BRITISH GAS

Executive Sales

£20,000 plus

A City-based private company is looking for sales men or women of outstanding quality capable of making a major contribution to the future of a rapidly expanding established company. Requisite qualities are:-

- Proven sales record.
- Ability to communicate to a wide spectrum of personalities.
- Integrity.
- Ambition and singlemindedness.
- Sense of humour.

A financial background may be of benefit, but by no means a necessity. If you consider that you possess these qualities and thrive on remuneration according to performance, write in confidence to:-

GERALD WAY & ASSOCIATES LTD.
37-39 St. Andrews Hill, London EC4V 5DD

You're a Finance/Leasing Professional who appreciates cars and has the drive to build a business c.£15000

We should point out that our Clients have already built a very profitable business. A subsidiary of a major national organisation they are among the market leaders in the fast growing and highly competitive field of company vehicle leasing, spending over £1.5m a month on new cars.

They are now prepared to increase their market penetration still further - which is where you come in. A Finance/Leasing Industry Professional, you will join them at board level with responsibilities that could reach far wider than the title 'Marketing Director' suggests.

Reporting direct to the Managing Director, you will take a strong lead in the campaign of expansion, opening up new offices and markets across the country. One of your first tasks will be to build up the sales force, integrating it with that of another subsidiary into a tight, profitable team. You will have ample scope to exercise your proven team-management ability, in co-operation with the company's efficient, closely-knit support organisation.

In your client's conducting negotiations at all levels, you combine wide vision and an expert knowledge of the financial aspects of leasing with a down-to-earth attention to detail. A conscientious negotiator, you are capable of designing and developing a package to meet changing market conditions.

Last, but not least, you have a lively interest in motor cars - and are capable of sharing your enthusiasm with clients. With the attractive salary and excellent prospects for career development comes a comprehensive benefits package - which, naturally, includes a company car.

Person-to-person interviews

Please write with full curriculum vitae to:
Andrew Durrant-Thompson or Jane Woodward,
The Personal People,
18th floor,
51 Alpha House,
Fleet Street,
London EC4V 3DA
or give them a ring on 01-488 2158
or 01-428 2689

The Personal People
The Consultancy Division of MCS Robertson & Scott,
London, Hartford, Birmingham, Manchester,
Edinburgh, Glasgow, Bristol, Düsseldorf.

GROUP TAXATION MANAGER

Warwickshire Circa £14,000 + Car

A wholly owned subsidiary of a major U.S. corporation, our client is a holding company with three U.K. subsidiaries which have approximately 5,000 employees. The largest subsidiary is an engineering company which has overseas subsidiaries. Two of the three subsidiary companies are recognised as market leaders within their specialist fields.

The successful candidate will report to the Group Financial Director and assume total responsibility for the tax affairs of the Group. The role will necessitate compliance and planning work and will reflect both the Group's U.K. and overseas activities plus the implications of an American parent group.

Candidates, probably aged around 30, should be qualified accountants who have gained substantial tax experience with either an international practice or a quoted group with overseas interests. It is hoped that the future incumbent will assume other financial responsibilities and therefore a career in tax should form only the larger part of his/her future objectives.

For more detailed information and a personal history form, please contact:
Robin F. Taylor, B.A., C.A., or Nigel V. Smith, A.C.A., quoting reference 2392.

Commercial/Industrial Division
Douglas Lambie Associates Ltd.
Accountancy & Management Recruitment Consultants,
310, Strand, London WC2R 0ES. Tel: 01-836 8501
321, G. Vauxhall Street, Glasgow G2 3HW. Tel: 041-225 3101
3, Coates Place, Edinburgh EH3 2AA. Tel: 031-225 7744



Young Banking Executive

Looking for more recognition, responsibility and rewards

We market the MARK III[®] Service, Britain's longest established commercial computerised information service. We are looking for men and women with a sound background and knowledge of Banking systems, procedures and methods particularly in International or Corporate functions. They will join a team of specialists based in the City to assist in the further expansion of our operations within the Banking community. We are market leaders in the provision of this type of management information system to the Banking Industry in the UK and on a world-wide basis.

As a consultant in our Banking Branch you will be responsible for marketing and selling the MARK III Service to our existing and new Banking clients. Application areas from which you could be expected to contribute from your background might include F/X Systems, Loans Administration, Money Market, Branch Accounting for foreign banks in London, Leasing, Planning and Budgeting etc.

You will have to demonstrate the ability to develop a thorough understanding of how the MARK III Service can be applied to these and other functional areas of banking. You will be a graduate or of equivalent standard, in your late 20's already in banking but keen to broaden your

experience and career prospects by acquiring knowledge and expertise through the application of advanced computer methods in the industry.

Salary will reflect your experience and the contribution you will make. A company car is provided in addition to the benefits attached to working with a major international company. If you feel you have the banking expertise required, or computer experience in banking, to make a success of this job, we would like to have a preliminary informal meeting in confidence.

Ring Russell Murray on 01-638 6969 ext 154 and give brief details of yourself. We will then arrange a suitable time and date for interview.

Alternatively, write with brief resume of your career to date to him at: GEISCO Limited, 74-78 Finsbury Pavement, London EC2A 1JD.

GEISCO

GEISCO Limited is a subsidiary of General Electric Information Services Company of the USA which has no connection with the General Electric Company Limited of Great Britain.

MARK III is a registered service mark of the General Electric Information Services Company of U.S.A.

GENERAL ELECTRIC

U.S.A.

Group Financial Controller

NEGOTIABLE c.£15,000

South Wales

This appointment will appeal to you if you have reached the stage in your career where having made successful progress in both financial and cost and management accounting spheres you now feel able to tackle a really senior and demanding appointment.

Our clients is a well established group with interests in heavy engineering and steel processing. Their current turnover is in excess of £25 million and the objective is to continue this trend with planned growth relating to technical developments in the energy field.

Your responsibilities will be comprehensive. Reporting to the Group Secretary you will be involved in the preparation, interpretation and appraisal of accounting information across the group. This will include preparation and consolidation of group forecasts and results, ad hoc investigations of major contracts and monitoring profitability of the individual company's activities. An important feature of your duties will be the examination and development of accounting methods with emphasis on the introduction of ADF systems.

This senior appointment will interest those aged mid thirties upwards, holding formal accountancy qualifications and with considerable experience in industrial accounting. This experience will have covered both financial and cost and management functions, preferably in an engineering environment.

The post demands real ability in organisational techniques together with commercial flair, adaptability and enthusiasm. Travel between South Wales and the Midlands will be a necessary feature of the post. There are prospects of a future directorship for the right candidate. Those currently earning below £10,000 are unlikely to have the required experience and acumen.

For further information please contact Ann Marsden or Wyn Jones on Swansea 43461 or write in confidence to PER, 3rd Floor, Grove House, Grove Place, Swansea.

PER
Professional & Executive Recruitment

Applications are welcome from both men and women.

European Investment Research

Outstanding Prospects

A major firm of London Stockbrokers requires a senior analyst, age 27-36, with an established knowledge of European industry and companies. Fluency in the main European languages is desirable. The analyst will be expected to travel extensively on the continent.

The successful candidate, male or female, will join the firm's well established and successful European department which, for the right person, offers outstanding career prospects.

Applications, which will be treated in the strictest confidence, should be sent care of:-

Dewe Rogerson Limited,
4, Broad Street Place, London EC2M 7HE
quoting reference EIR.

If there are any firms to which you do not wish your application to be sent, please list them in a covering letter.

Management Consultancy in the Insurance Field

Conning and Company, Hartford, Connecticut, leading U.S. consultants to the insurance industry - providing actuarial studies reserve analyses, evaluations for take-overs, product profitability comparisons and other advisory services - seek young European analyst to work first in U.S.A., later in London. Insurance or financial qualification essential. Age 26-34. Salary: basic £12,000 and upward depending on experience. Generous travel, moving and living allowance in U.S.

Contact: Robin Monro-Davies, Director
Fox-Pitt Kelton Inc.
2 Wilson Street, EC2
Tel: 01-377 8929

FUND MANAGEMENT - SCOTLAND

An attractive situation exists which would suit investment manager/stockbroker, with some funds under management, to join expanding merchant bank in Scotland.

All enquiries will be treated in strictest confidence.

Please reply to Box A.6908, Financial Times, 10, Cannon Street EC4P 4BY.

SALES EXECUTIVE

FINANCIAL WEEKLY is seeking a self-motivated sales executive to sell financial advertising to a wide range of public companies. The successful applicant must be able to deal with people at senior level. A keen interest in the stock market would be an advantage.

Negotiable salary; other benefits include a company car, pension scheme, free life insurance and bonus.

If you would like to grow with this successful financial weekly, please write or telephone:
Brian Coleman-Smith, FINANCIAL WEEKLY,
9 Holborn, London EC1N 2LL - 01-405 7254

International Auditor

South Hants. £7,500-£9,000

Our client needs little introduction except to say that it is a major American Corporation with a very diversified product range. Its track record, particularly in Europe, has been outstanding and growth continues on an unparalleled basis. Growth of this nature brings with it problems of business control and a decision has been made recently to establish a new international Operations Audit Department, based in South Hampshire, with geographical responsibilities covering Europe, Middle East and Africa. This department, reporting direct to the Corporate Director of Audit in the U.S.A. will have responsibility for all aspects of operational and financial control.

To augment the department an International Auditor is now required to carry out complete operational reviews of subsidiaries primarily in Europe to ensure that there are appropriate controls and compliance with corporate policies. You will be a member of a small team, frequently acting as team leader. The opportunity for exchange with counterparts in the States for up to 6 months may occur.

You must be a qualified accountant with several years audit experience with one of the major professional firms or within a major commercial or manufacturing organisation. Proficiency in either French or Spanish is also highly desirable. In addition to a salary in the range £7,500-£9,000 dependent on experience, you will be offered substantial assistance with relocation expenses to South Hampshire.

Candidates, male or female, should write in complete confidence, quoting ref. CR5/137, giving full details of age, experience, qualifications, career and salary record to date, stating companies, if any, to whom applications should not be forwarded, to:

W.D. Radcliffe, Lockyer, Bradshaw & Wilson Limited,
North West House, 119/127 Marylebone Road, London NW1 5PU.

LBW

LOCKYER, BRADSHAW & WILSON LIMITED

PHILLIPS & DREW International Dept.

Phillips & Drew have a vacancy in their expanding International Department for an experienced specialist on Far Eastern stock markets with principal emphasis on Japan. The applicant should be fluent in English and a native knowledge of Japanese would be a decided advantage. Remuneration is competitive and there is scope for rapid advancement combined with overseas travel. There are profit-sharing schemes, pension fund and other benefits. Please send a brief curriculum vitae and apply to:-

A. G. Wright Esq. Staff Manager
Phillips & Drew,
Lee House, London Wall,
London EC2Y 5AP

Group Financial Executive

Central London c.£15,000 + car

This, the senior financial post in a well-established and very successful group, requires a person of the calibre and presence to exercise a key influence in its future direction. Turnover is around £15m and the two main companies publish a range of high quality provincial newspapers using processes which are among the most advanced of their kind in the world. Reporting to the Chairman and Board, the person appointed will form part of a small central team and be given wide responsibility for all financial and accounting aspects of the group. There is the prospect of Board membership. Candidates, male or female, aged 35 to 40, will ideally be graduates with a

professional qualification and must have a proven record of achievement in financial management. Experience in the use of computers is essential. Salary will be negotiable around £15,000 plus car and good fringe benefits. Location: Central London.

Ref: AA517053/FT.
Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



Rowe & Pitman Inc.

of London & San Francisco

Rowe & Pitman Inc. want a young salesperson up to 25 to join a specialist team servicing U.K. and European institutions on Western United States Equities. Must be prepared to travel which will include a training period in San Francisco. If you are looking for an exciting career come and talk to us.

Rowe & Pitman Inc.
1st Floor
City-Gate House
39-45 Finsbury Square
London EC2A 1JA
Tel. 606 1066

TR&P

Manager Contract Accounting

Basle

One of the major and most successful multinational companies is seeking a Manager to co-ordinate the financial aspects of large contracts particularly in Africa.

Leading a team of about 10 people, responsibility will be for reporting on the financial status of contracts and working closely with several subsidiary companies throughout Europe. European and intercontinental travel will be involved.

Sound experience of administering all aspects of letters of credit and shipping documentation and of managing a high class by billings department are essential.

requirements together with a strong accounting background and the ability to co-operate with people from a variety of cultural backgrounds.

Equally important the person appointed should be interested in and capable of developing a long term career with the organisation - which could be either in Switzerland or elsewhere in Europe. An attractive remuneration package will be negotiated.

Total and complete confidentiality is guaranteed. Please reply giving full career, salary and personal history to: Manager Staffing, ITT-AME S.A., 7 Avenue Lloyd George, B-1050 Brussels.

ITT

Corporate Finance

An expanding London-based International Merchant Bank wishes to appoint a senior executive to take responsibility for the Corporate Finance activities of the Bank with a view to early Board appointment. Applicants must have enjoyed a minimum of 7 years banking experience in the City of London and have held a senior position with a merchant bank, preferably one of the members of the Accepting Houses Committee. Experience will include the full spectrum of corporate advice, including contested

takeovers, defences and new issues and the successful applicant will be thoroughly conversant with all aspects of Stock Exchange and Panel practice. The applicant must be creative, able to negotiate, a perfectionist both in research and in the preparation of documents, and have an ability to get on with people. The successful applicant should, preferably, have a legal qualification. Salary by negotiation, circa £20,000. Please reply, in confidence to: Box No. A6907, Financial Times, 10 Cannon Street, London EC4.

ADVERTISING and . . .

Cambridge vice versa

CAMBRIDGE IS an unreal place at the best of times but especially so every mid-September when the Creative Circle descends for its Role Reversal Seminar. The roles that are to be reversed are among the most entrenched in modern life—that of advertiser and agency.

Around sixty marketing men and women, of brand manager and upwards status, have the unusual experience of being bulked and sent up by 20 or so creative people from advertising agencies. The aim is to show advertisers how agencies cope, but the good natured blood letting that occurs is probably psychologically beneficial to all concerned.

The Creative Circle has been organising the event for twelve years and it is so successful that all the big companies—Rowntree Macintosh, General Foods, Schweppes, Beecham, Mars, United Biscuits, etc.—are regular participants.

In theory, young executives have to create advertising campaigns usually for imaginary products from scratch, but with non-committal advice from agency experts and a wealth of video equipment to ensure that within 48 hours television commercials have been created of surprising sophistication. A competitive element is introduced by having the agencies compete against each other, and the week ends is climaxed with a prize giving.

In the past the occasion has been as beneficial to the creative people as to the marketing executives. The agencies have the opportunity of fielding their most witty men to a captive audience of what are, or will be, the dispensers of hundreds of millions of advertising pounds. A good impression can mean that an agency gets the chance to pitch for real business.

It is a rumour, so often repeated to become a fact, that Guinness was prompted to switch its account from old Benson's to J. Walter Thompson on the strength of a sparkling performance by Jeremy Bullmore at Cambridge. On the other hand the executives involved are equally aware of the chance to shine and quite a few jobs have changed hands as a result of the seminar.

On one occasion, when real brands were used, for example, the creative ideas of the "agency" were so good that the genuine client was moved enough to negotiate the acquisition of the concept.

But this year the worldly aspects were played down. The agency men seemed more conscientious and less inclined to score off each other and the company men younger and perhaps less prepared to take the occasion completely seriously, although they always return chastened from the first presentation of their idea to the specialists.

This wearing down of the extremes could reflect the fact that in recent years companies have been able to buy up the brightest university graduates, while, until recently, agencies had stopped recruiting from this source.

These days advertisers are less in awe of their agencies. As a result the executives were inclined to go over the top in their ideas and to be more concerned with images than reality. It was noticeable that

none of the agencies' attempted research: they all rushed straight into making commercials.

Along with higher spirits among the participants, the impact of the new machinery was also striking. Thanks to video, quite acceptable commercials could be turned out by novices. Whether their experiences will persuade marketing executives to sanction more commercials in video is doubtful — there are few cost advantages — but it should open their eyes to the technological changes in advertising.

There was one particularly effective commercial, for a campaign aimed at persuading people to join private health schemes, showing a clock ticking away the months that you might have to wait for a Health Service bed, which could have come straight from the TV screen — if there was such a thing.

The briefs this year were rather uniform — for private health; selling the idea of perks; for using more water — semi-official campaigns rather than good old-fashioned superficial brands.

This led to a sameness of approach. The marketing men tended to be didactic, producing slogans — "splash out with water" "get well soon" — and it is doubtful whether such imperatives persuade people to take notice.

Perhaps by the end of the day the participants realised this. Already the bookings are arriving for next year. It is a sharp dose of reality, but it is also fun and there are intriguing undertones. It will remain the most successful event of the Creative Circle's year: no wonder it is thinking of exporting it to the U.S.

Antony Thorncroft

Swiss enterprise

AN UNUSUAL scheme, combining advertising and public relations, has helped the Rolex watch company maintain and even improve its position in world markets while other Swiss watch manufacturers have been taking a beating from the Japanese.

The scheme, devised by J. Walter Thompson's London office, was first introduced three years ago as the Rolex Awards for Enterprise competition. The company is now launching a second competition along precisely similar lines, inviting researchers and inventors in all countries to take part.

Out of thousands of contestants five winners were chosen for the first awards, presented in Geneva in spring of last year. They included Françoise Patterson, a personable young woman from California who taught gorillas to understand sign language, as well as a Belgian cave explorer and a French medical researcher. At 50,000 Swiss francs a time the awards were not to be sneezed at.

Among the 26 runners-up, who had to be content with Rolex watches, was one particularly deserving young Englishman, Toby Churchill. Severely handicapped and unable to speak, he designed a "lightwriter," a kind of portable electronic typewriter with a visual display unit, enabling him and others like him to communicate with those around them.

Results of the first competition were advertised in the Reader's Digest and other international media. The same media are being used next month to announce the new contest, with ads featuring such enterprising and Rolex-loving celebrities as Thor Heyerdahl and Red Adair. The ads will be backed up with posters on university campuses and leaflets in retail outlets—although the number of these is comparatively small. Because of Rolex's policy of up-market exclusivity, it deals with barely more than 200 retailers in the UK.

The commercial effectiveness of the awards scheme is of its nature impossible to assess. But common sense indicates that it can only have reinforced the prestige image of the product. It is that image rather than any particular technical benefits which JWT's advertising has always concentrated on, and the agency handles the account in almost every country.

Hugh Miles, the JWT director who handles the account in London, feels that there is some danger that Rolex may come to view the awards scheme as an end in itself. From a marketing point of view that might not be very wise, and Miles believes that, after the next prizegiving in early 1981, a new promotional scheme should take its place.

Philip Kleinman

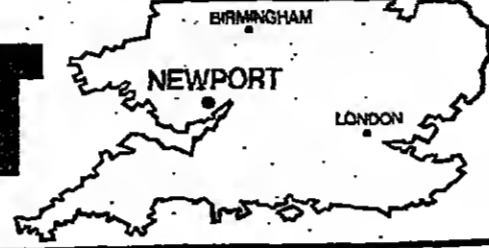
Get fromable

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Look at Newport.
No site in Newport is more than 10 minutes from motorway, railhead (125 to Paddington) or dockside.
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We've industrial sites large and small for immediate development.

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NEWPORT

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6. 20 POPULAR EXCUSES FOR NOT ADVERTISING IN THE READER'S DIGEST.

They don't do deals!

September 1979

Reader's Digest

America's Lesson for Our Unions

How Labour Makes It in A Taste of Priestley's Coincidence - is It C Treasure Ho North Y

See HALFORDS 6 page spectacular in this month's issue

Science and Coincidence

INSIDE North Korea

ADVANCE CONFIDENTIAL COPY

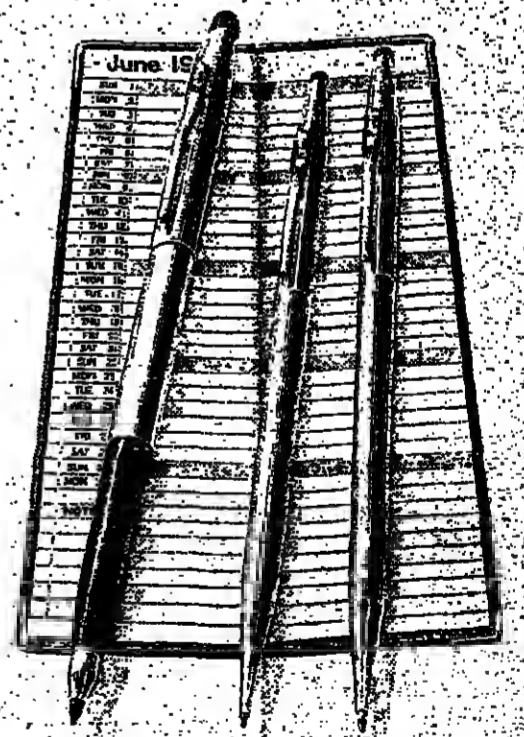
Try telling that to Halfords

Halfords bought a 6-page spectacular in the September issue of the Digest. To let the whole trade know about this big burst, the Digest have produced and paid for a full-page ad that's going in 'Motor Cycle and Cycle Trader' during September.

Five hundred outlets were sent the August cover of the Digest with a promotion sticker on the outside and letter inside outlining Halfords marketing plans. The same outlets will also have received an advance issue of the September Digest thumb-punched to the Halfords ad.

Also 70,000 of the Halfords 6-page insert are being run-on to be distributed as a catalogue for retailers.

Get the facts straight from Ian Aitken, our Merchandising Manager. Forget the excuses.



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مكزا انا ال دل

THE MARKETING SCENE

EDITED BY ANTONY THORNCROFT

Vision off clouding LP marketing campaigns

BY ANTONY THORNCROFT

FOR MOST advertisers the strike at ITV is irritating but not disastrous.

The companies that often idly thought how nice it would be if they could only persuade their big competitors to stop advertising in line with them are now able to see the sales effect of a mutual abstinence.

But for some advertisers the strike is a devil, not least for Ian Miles, who runs Multiple Sounds, and Phil Kives who heads K-Tel.

Both companies were planning to spend around £2m each in the autumn promoting between them about 40 albums. With every week that passes the schedule changes and albums are dropped that can never be easily revived.

Only hard fact to emerge is that when the strike is settled the demand for airtime will be so great that all spots will be transmitted at the very top rate. "It means for us that if we ran at the planned level air time will be 15 per cent more expensive."

In fact, the march of events is dropping albums from the schedule, and reducing Miles' and Kives' advertising budgets.

spand. One based on a summertime theme may reappear next year but an album linked to the best selling disco records cannot be released because it is out of date.

There are gains to be made from the current crisis. The uncertainty, linked to other underlying problems in the record industry such as blank tapes and cheap imports, has persuaded the major record companies like EMI, to withdraw from television advertising.

Finally it forces Multiple Sounds, which markets under the Warwick brand name, to experiment with alternative media. Radio has been tried in the past and failed to deliver, and the Press is only effective with budget records.

One reason why Miles stays cheerful is that he has successfully managed to broaden the base of his company. He has one of the largest record manufacturing plants and producing for other record companies now accounts for 40 per cent of profits.



Ian Miles and the worries of how best to spend £2m.

will run out near forecast. They have to, for Miles is hoping to bring Multiple Sounds to the market early next summer.

Perhaps a public quote will make the TV companies take the company more seriously. "They seem to think we start the year with a bag of money containing £3m, all for them, and that we don't need any consideration."

The great Warwick successes of last year sold well over 400,000, and summed up the philosophy of the company. They were albums of old favourites, such as Harry Secomba and Doris Day, who appeal to the over-35s, the audience ignored until recently by the specialist record companies.

That is the thing about the TV record promoters: they know the music industry and they also know marketing. They are an exclusive breed, so much so that they produce much of their own advertising, using media buyers to book the time.

It is, of course, changing. Some Warwick albums are handled by Davidson Pearce, and this summer a brief encounter was attempted with Young and Rubicam. But it is a black mark if an important buyer of television time loses out because it does not fit into the traditional advertiser-agency-contractor framework.

Bostock resigns

J. WALTER THOMPSON has rearranged its creative organisation following the resignation of Peter Bostock as head of the creative department.

Alan Watson is to become chief executive of Charles Barker City in succession to Rag Valin.

ITV screens willing. Cadbury is to launch Starbar with a £1.2m advertising budget on October 8.

Pincus Vidler has taken a shareholding in Interpartners Communications, the European agency group based in Brussels.

Greys has gained the Elerman Sunlight tour business. Previous Chief looked after internally, the budget has been increased to £500,000.

Britain's two regional press bureaux are all set to merge. Following a report on a feasibility study, the boards of the Evening Newspaper Advertising Bureau and the Weekly Newspaper Advertising Bureau are recommending a merger to their members.

According to the Advertising Association, the regional press in 1978 attracted advertisement revenue of £483m, some £37m more than was spent by advertisers on television time.

Join the Marketing Professionals!

Q: What have the following in common? -Sir James Goldsmith -Vidal Sassoon -Terence Conran -The Saatchi Brothers -Sir Peter Parker -Mary Quant -Lord Barnetson -Victor Matthews -Richard Tompkins



A: They or their companies have all been the subject of MARKETING WEEK cover stories. The independent weekly magazine of marketing. If you're a regular MARKETING WEEK reader you'll have: -read an exclusive interview with Sir James Goldsmith...

ACCEPT OUR OFFER OF 4 WEEKS' FREE ISSUES. Fill in the subscription form and mail it to us. We shall invoice you or your company £25.00 for one year's subscription (£60.00 overseas).

Subscription form fields including Name, Company, Address, Signature, and Business details.

Because we've got more to lose, we take more care.



We don't like the idea of our Gold Band service ever letting you down. When we promise that our nationwide network will safely deliver your goods the very next working day, we mean it.

For a start, we'd lose money. And much worse, we'd probably lose your custom and our reputation. And if we were so careless as to damage the goods, you'd be entitled to up to £3,000 per tonne insurance.

Packed together, that gives you a very reassuring compensation deal. As the largest independent freight company in the country, we can't afford to make mistakes.

If that sounds a pretty persuasive argument for using Gold Band, you're beginning to agree with some of the most discerning companies around - Pex Socks, Asda and English Grain Ltd. are just three of the firms who trust their deliveries to us.

Of course, if you aren't in such a hurry or if your package is heavier than the 50 kilo Gold Band limit, the Atlas Express Standard Service is also available.

But whichever service best fits your requirements, you can be sure of one thing. We're going to take more care than anybody else. Because we've got so much to lose if we don't.

For further details of the Atlas Express Gold Band and Standard Services, please contact...



We deliver the goods. Mr. S. Markwell, Atlas Express 96-98 Regent Road, Leicester. Tel: (0533) 544592

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Everyone likes to accept a card from a Southerner.

AGB/Index shows 25% of Southerners have credit cards against 17% nationally. Southerners are way ahead of their national counterparts on almost every consumer buying card.

This important new data source shows the difference. Now make it work for you. Advertise on Southern and see the Southern Difference in action. Source AGB/Index 1978

SOUTHERN TELEVISION. For further information contact Brian Henry, Marketing and Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

It pays to answer back. AIR CALL communications services. Air Call will answer your telephone in the way that you want, whenever you want, 24 hours a day, 7 days a week.

Make your conference business a pleasure. Bristol requests the pleasure of your Company. Why choose a humdrum city? Bristol has everything. And it's no distance by motorway or High Speed Train.

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EXPERTS IN EXPORT ADVERTISING. Ring Mike Curnow on 01-836 0254. Short, Curnow & Cuthbert. International Media Consultants. Walter House, 418/422 Strand, London WC2.

LOMBARD

When ignorance is honesty

BY PETER RIDDELL

THE CONTINUING debate about the use of the gains provided by North Sea oil underlines the futility of seeking instant solutions and grand plans in response to economic problems.

Specified

While there is now a wider disillusion with the claims of economists, some of the earlier desire for simple answers persists. For instance, anyone connected with economics tends to be asked with increasing frequency what will happen to people employed in a company, a sector or, indeed, manufacturing as a whole if the current decline continues.

An adjustment

The key point, according to Professor Robinson, is that the probability of failure is very high if we regard the prime responsibility for maximising North Sea benefits as a matter for government planning.

The alleged problems of re-entry in the 1990s once production begins to decline are also over-dramatised. An adjustment will certainly have to occur but it will probably be gradual, provided British consumers always pay the world market price for their fuels.

Consequently Professor Robinson argued that an attempt to plan the use of the North Sea gains would be misleading and harmful, providing people with no more than the comfortable illusion that their leaders are

NO VOICE can be heard supporting tax evasion. But what about those who peddle sophisticated schemes to avoid tax? The conventional wisdom that is relied upon by tax consultants sounds fair enough: "no man in this country is under the smallest obligation, moral or other, so to arrange his legal relations to his business or his property as to enable the Inland Revenue to put the largest possible shovel into his stores."

But what is known as "the tax avoidance industry" goes far beyond mere cheating between two commercial goals. For years tax advisers have specialised in locating some supposed loophole in tax legislation and concocting a wholly artificial scheme to exploit that loophole, which is then marketed "off the peg" to anyone willing to pay hard cash for the possible huge tax advantages it offers.

Next year's flat pattern allocation from the Horse Race Betting Levy Board prize money scheme is £1.1m, according to Sir Desmond Plummer, the board's chairman.

The total allocation to pattern races of the £10.13m prize money scheme is £1.38m. The lumping allocation is £276,000, an increase of £23,000 compared with this year.

Today (Southampton); Spotlight South West (Plymouth). BBC 2. 6.40-7.55 am Open University 11.40 Play School 4.00 pm International Bedlam... Channel is the only IBA company transmitting programmes during the present industrial dispute.

Radio Wavelengths. 1 200kHz/1500m & 92.55VHF. 2 650kHz/433m & 90.9VHF stereo. 3 1215kHz/247m & 90.92VHF stereo. 4 1053kHz/235m & 106.8kHz/275m.

RADIO 1. Checkpoints. 10.30 Daily Service. 10.45 Morning Show. 11.00 Feet's Policeman. 11.45 Listen with Mother. 12.00 News.

RADIO 2. 5.00 am News. 5.30 am News. 6.00 am News. 6.30 am News. 7.00 am News. 7.30 am News. 8.00 am News.

RADIO 3. 5.00 am News. 5.30 am News. 6.00 am News. 6.30 am News. 7.00 am News. 7.30 am News. 8.00 am News.

RADIO 4. 6.00 am News Briefing. 6.10 Farming Today. 6.25 Sunday. 6.30 News Today. 6.45 News Today.

Capital Radio. 8.00 am Graham Ogar's Breakfast Show. 9.00 am Michael Aspel's Capital Conversation. 10.00 am The Big Breakfast.

TV Radio. Indicates programme in black and white. BBC 1. 6.40-7.55 am Open University. 9.00 am For Schools. 12.45 pm News. 1.00 pm Pebble Mill. 1.45 pm Playboard. 2.00 pm You And Me.

F.T. CROSSWORD PUZZLE No. 4078. 1 Select the French preserved food (6). 2 Sculptor putting weight on mother and child (5-5). 3 Chess round the North Sea? (5)

Solution to Puzzle No. 4077. 1 In appearing in display and it's heaven (8). 2 Suitable and harmonious type of letter (9). 3 The French way to survive (4).

The unacceptable face of tax avoidance

contracted to accept the whole new arrangement. Anyway, the consequences of that decision have spawned a host of clever schemes, some of a staggering loss to the Exchequer.

BUSINESS AND THE COURTS

BY JUSTINIAN

was that for merely the vendor's "cut", and with no other cash outflow, WT achieved an ostensible chargeable loss in respect of the shares in M of nearly £200,000.

Flat pattern grant up £70,000

The largest single increase is the additional £10,000 which has been added to the 1980 St. Leger. This will bring the board's contribution to the final class up to £82,000.

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times.

October 15. November 12. December 10. There is a limited amount of advertising space available each month; if your company is interested in taking advantage of this offer please contact:

The Financial Advertisement Department on 01-248 8000 Ext. 424 or 389. The Financial Advertisement Department offers a limited amount of advertising space available each month.

A gentleman called David Strachan contracted with a company on terms that he bought (and sold) stock, being bound (at its option) to take delivery (or deliver) on any settlement day.

It is not true that the evading moonlighter, who goes to jail for keeping his second job quiet, in fact contributes more, by his labour, to the economy than the clever man who peddle their schemes to "secret understandings" to clients greedy to take the risks involved.

ENTERTAINMENT GUIDE

OPERA & BALLET. COLISEUM. Credit City. 2.00-5.25. ENGLISH NATIONAL OPERA. ENGLAND'S NATIONAL OPERA. ENGLAND'S NATIONAL OPERA.

CINEMA. ABC 1 & 2. 2.30-3.00. ABC 1 & 2. 2.30-3.00. ABC 1 & 2. 2.30-3.00. ABC 1 & 2. 2.30-3.00.

THE ARTS

Covent Garden Opus 19

Jerome Robbins' newest ballet, given its New York premiere in June...

McBride can be understood as an ideal, even as a destiny...

made a fine show of the rhythmic alertness and the clear surge of Baryshnikov's technique...

For Patricia McBride writing no less demanding, and no less beautiful, set out in her interpretations...

Monday night's Royal Gala also brought the tribute to Britain that Balanchine made at his contribution to American Bicentennial year...

The most brilliant section is the closing tribute to the Royal Navy, with Peter Martins leading the reveals and Suzanne Farrell bringing on a troupe of Wrens...

CLEMENT CRISP

New York City Opera

Naughty Marietta

by ANDREW PORTER

The New York City Opera's summer-and-autumn season—the first with Beverly Sills as director—began with two weeks of operetta...

Naughty Marietta is an operetta composed for opera singers in 1910, as related in Elizabeth Forbes's article in the current About the House...

The City Opera also did Naughty Marietta last year, but in a Bearsville which involved a rewriting of the libretto, a recording of musical numbers, and the suppression of an important character...



Howard Hensel and Elizabeth Hynes in 'Naughty Marietta'

It was an improvement to bear the numbers in the context their composer intended...

When the City Opera season opens, it is still high summer in New York...

generally applies in this field as in that of grand opera.

It was carefully staged, and lovingly conducted by Mr. Mauter. It was attractively sung...

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s); All seasonally adjusted.

Table with 4 columns: Year, Index, and two values. Rows for 1978 and 1979 quarterly and monthly data.

OUTPUT—By market sector consumer goods, investment goods, intermediate goods and fuels; engineering output, metal manufacturing, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

Table with 4 columns: Year, Sector, and two values. Rows for 1978 and 1979 quarterly and monthly data.

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (bmn); oil balance (£m); terms of trade (1975=100); exchange reserves.

Table with 4 columns: Year, Trade Index, and two values. Rows for 1978 and 1979 quarterly and monthly data.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

Table with 4 columns: Year, Money Supply, and two values. Rows for 1978 and 1979 quarterly and monthly data.

INFLATION—Indices of earnings (Jan. 1978=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1983=100); trade weighted value of sterling (Dec. 1971=100).

Table with 4 columns: Year, Inflation Index, and two values. Rows for 1978 and 1979 quarterly and monthly data.

* Not seasonally adjusted. † Trade figures are quoted with less precision owing to industrial disputes.

Wigmore Hall Irina Arkhipova

The Russian mezzo returned to the Wigmore Hall on Tuesday for a recital, this time of Glinka and the contemporary Soviet composer Sviridov...

When for that matter will conductor play Lisovskaya and when will one of our companies do Russian, the whole opera, not just the overture?

The most curious item was a setting of the Willow Song in Orpheus, with repeated and totally undramatic recourse to speech...

Round House A Midsummer Night's Dream by B. A. YOUNG

David Weston's direction of the play for the National Youth Theatre is inventive and intelligent...

The cast seem to me to be older than usual in the N.Y.T., and all the individuals I asked after were at university rather than school...

Why not begin a concert with Schumann's second symphony and end it with the overture to Tannhäuser?

Why not begin a concert with Schumann's second symphony and end it with the overture to Tannhäuser?

Sir Frederick at 75 by CLEMENT CRISP

This evening BBC1 Television is showing the second of two programmes which mark the 75th birthday that Sir Frederick Ashton celebrated on Monday...

ever-fresh bournours of Façade, or the portrait of Widow Simone in Fille, but something even sharper which explores a world of delicate social unease in A Wedding Bouquet...



Sir Frederick Ashton

Festival Hall/Radio 3 Celibidache by ANDREW CLEMENTS

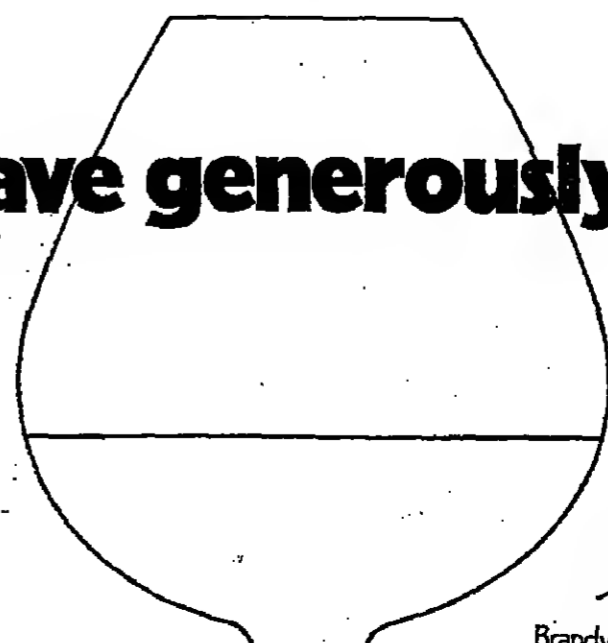
Why not begin a concert with Schumann's second symphony and end it with the overture to Tannhäuser?

Why not begin a concert with Schumann's second symphony and end it with the overture to Tannhäuser?

finally by the Wagner overture? Whatever the reasoning, the programme was uncommonly effective...

music, one might fear for its interpretation. But under the conductor's art to admire as well...

Fagin gave generously for one.



Armagnac

Brandy so elusive, you daren't miss the chance of a glass.

RONALD CRICHTON

ECONOMIC VIEWPOINT

Why gold still glitters

GOLD is one of those strange subjects which give rise to enormous passions among vociferous minorities. On one side are the gold-bugs, who are convinced that gold should be minted and will come back as the basis of all true money...

like another. And it is of course easier to transport, or protect from confiscation, than real estate, pictures or bottles of wine. But although gold has usually been a good investment to hand on to one's grandchildren...

demonetisation had had the courage of their convictions, they would have dumped their own gold stocks then a falling market and perhaps really achieved their professed aim. Instead national authorities intervened to support the market and lost the chance of demonetisation for generations to come.

amazing how much ink was spilled not so long ago over the supposed shortage of international liquidity and that the IMF staff should still tax their ingenuity to find reasons for issuing more SDRs.

What has finally ended the myth of demonetisation has been the inclusion of gold in the pooling of members' reserves under the European Monetary System.

The difficulty about saying whether gold is losing or regaining its monetary function is that there is, as I mentioned in my article on monetarism a fortnight ago, no hard and fast dividing line between money and non-money. There are at least three main functions of money. It is a means of exchange, a standard of value and a store of value.

On the other hand, there is probably some relation between a country's gold stock and its monetary policy. So long as floating is "dirty," and there is some official intervention in the foreign exchange market, the size of a country's reserves will have some influence on the risks it will take with monetary expansion.

Paradoxically enough, it has been the half-hearted American-inspired attempts to "demonetise" gold which have boosted the metal as a component of the national monetary reserves. The view that gold should be treated like any other commodity led first to the two-tier price system in the spring of 1968...

rency value of gold holdings will weaken the resolve of governments to lower inflation rates and eliminate "balance of payments deficits." But there is a horse-and-cart question here. Is the rise in the gold price weakening anti-inflationary resolve, or has a more pessimistic attitude by the market towards the inflationary behaviour of governments...

Historical periods of price stability have been ones in which money has consisted of precious metals, stamped into convenient units of standard weight known as coins, or of notes or bank deposits convertible into bullion. Superficial rationalists have revolted against the idea of the money supply being determined by anything as arbitrary as the supply of certain metals.

Table with 4 columns: Year, Gold Price U.S. per fine ounce, U.S. Consumers Prices Index (1979=100), Real Value of Gold in terms of U.S. goods Index (1929=100). Rows include years 1929, 1939, 1947, 1970, 1978, 1979.



was linked to gold, except for war and postwar intervals, at almost constant rate (the slight changes being at the beginning of the period). During the years of gold convertibility, the available rough price indices suggest that taking 1861 as 100, UK prices fluctuated between a low of 62 reached in 1743 and again in 1855, and a high of 113 in 1825 (or 135 in 1825 if one wants to include the lipping gold standard of the post-World War I period). Thus for nearly three centuries both the value of gold and the internal price level of the country most closely linked to it were remarkably stable.

U.S. monetary growth, the whole post-war system exploded. If we are ever to have a stable money again it will probably come as a result of competition between currencies with the good driving out the bad. The winning currencies are likely to be based, not necessarily on gold, but on some commodity or commodities of intrinsic value and not just pieces of paper.

money will be related to a group of commodities rather than just one or two, with perhaps rival monies related to rival commodity baskets. In the meanwhile, the monetary aspects of gold will not be quickly legislated out of existence. Present gold prices are far higher than can be explained by the decline in value of paper currencies, however far back one takes the record.

Samuel Brittan

Letters to the Editor

Pensions and inflation

From Mr. S. Johnson. Sir—Eric Short's article on September 5 refers to the most serious problem now facing the pensions industry. He rightly says that a pension scheme which does not provide pensions which retain their real value is not fulfilling its prime objective.

and there is nothing left for the pensioners. Surely this points to an obvious solution: pay and pensions should be reviewed at one and the same time. For the purpose of wage negotiations the employer should regard his payroll as £10.5m, not £10m, and if an extra £1m is all the company can afford he can offer 94 per cent to both employees and pensioners, instead of 10 per cent to employees and nothing to pensioners.

taxpayers in the future, but is this any different from the sale of BP shares or part of British Airways? Both reduce capital now at the expense of future dividends. If were Geoffrey Howe, I would sell the Pension Fund Investments first and avoid the odium of selling assets that "belong to the nation."

temperatures, the word remains a part of everyday speech. The speaker, it is true, owes more to succinctness than to any special wish, however commendable, to honour the memory of Sir James. Frequent reference to "vacuum insulated flasks" would be both clumsy and tedious; whereas "thermos flasks" or "vacuum flasks," smack more of cliché than of physics or engineering. "Wewar" (though frequently found with a lower case 'd' these days) is an altogether more satisfactory term.

And in world markets, where we already enjoy a fair trading profit, renewed British food purchases ought legally to result in a reciprocal increase of imports from Britain. The future may not be as dismal as it looks. H. Patrick Holden, Hayes, Kilmersdon, Bath.

It might be true that some pension funds could do more for their pensioners if a less conservative actuarial valuation were considered acceptable. This is only a partial solution, however, and can apply to a minority of funds. It has to be conceded that inflation-proof pensions cannot be fully funded in advance, and supplementary payments on a pay-as-you-go basis offer the only alternative.

Some trade union leaders are concerned about the pensions problem: they do not consider their responsibilities for their members and when the members retire. Their support for simultaneous increases in pay and pensions would be a practical demonstration of such concern. S. Johnson, Director and Actuary, William Polton Pensions Consultants, Burlington House, 24-26, Abchurch Lane, EC3.

Films made for television. From Mr. James Fowler. Sir—For too long producers of filmed television plays and series have been either critically ignored or else dismissed as purveyors of pap. Therefore I was most interested to read Chris Dunkley's report (September 12) on the first Brit International Festival of Films for Television.

Definition of Dewars. From Dr. P. V. E. McClintock. Sir—Although I have been out of the country for much of the intervening period, I do not think that anybody has yet responded to Mr. E. Wolfson's letter, published on August 11, asking whether the word "Dewar" was still commonly used in cryogenics. Indeed it is. Both among people in the cryogenics industry and also for those of us engaged in research at very low

Dumping ground. From Mr. J. D. Sutherland. Sir—It is chilling news that exports to the UK from Hong Kong have increased by no less than 42 per cent. The flood of unnecessary goods continues unabated, not only from the Far East but from the Eastern bloc—for example, lager from Poland, and briefcases from East Germany. We are well on the way to being the dumping ground for the entire world. J. D. Sutherland, 41, Westella Way, Kettlewell, N. Humberstone.

Value of patents legislation. From Mr. R. M. C. Arnot. Sir—The campaign concerning the British Patent Classification (BPC) which I launched in your columns (Letters, December 6, 1978) has now, as you still receive extensive support both from industry and from professional sources. To encourage any who may still be hesitant in adding their support it should be appreciated that the BPC should also be regarded as a national insurance against wasteful duplication of research done elsewhere, and as often already free to use, as well as a security against infringement of competitors' patents. Intention in either of these risks can nowadays be inordinately costly, and may even make all the difference between a profitable and a losing venture.

One method of funding. From Mr. Edwin A. Whiting. Sir—Your champion of "pay-as-you-go" pension schemes, Mr. Raymond Nottidge, (September 10), has hit on an excellent and apparently painless way of reducing the Public Sector Borrowing Requirement. If, for example, the Post Office Pension Scheme were liquidated (a good opportunity if the Post Office is to be split in exchange for a Government guarantee to the members to put an index-linked pension on retirement, there would be all the investments of the Pension Fund available to be sold to reduce the PSBR. The result would be less funded saving today and a probably higher liability for

To stay or to leave. From Mr. H. Patrick Holden. Sir—The letter from Lord Bruce of Donnington (September 11) gives me furiously to think. Yet really he says explicitly but just as emphatically by the 65 per cent of the electorate who abstained from voting at the June Euro-elections. "We want nothing to do with the EEC," their silent voice thundered. Today our membership is sustained chiefly by the controllers of the main political parties, who intend, for as long as they are left, to avoid the issue at all costs lest it "split the party."

The finances of cancer research. From Mr. Stanley Alderson. Sir—The significant decision of Mr. David Leggett, reputedly America's wealthiest businessman, to leave his entire fortune of £2,500m as an international trust for cancer research, must now put the major cancer research charities in Britain, namely the Cancer Research Campaign and the Imperial Cancer Research Fund, first in their efforts to attract (and justify) continuing substantial donations, from the British public. I make a firm proposal: it is that the annual general meetings of the CRC and the ICRF, which are at present closed, internal affairs, should be thrown open to the public in the name of the annual shareholders' meetings of public companies. I anticipate that of such open public meetings there would be present both members of the general public (in particular, active fund raisers for the charities) and also medical and scientific correspondents of the Press, who together would help to ensure, by putting questions and obtaining answers, that there is effective public accountability and monitoring of the British public's investment in cancer research. My next proposal relates to the main burden of Lord Zuckerman's report on cancer research in Britain (HMSO, 1972), which is the need to support "new, galvanising ideas" in cancer research. In an article on the report, "Prospects for Cancer Research in Britain" in the science journal "Nature" (June 8, 1979), the Co-ordinating Committee for Cancer Research, which consists of members of the Medical Research Council, the CRC and the ICRF, stated: "The committee wishes to re-emphasise that any expenditure of funds on cancer research must continue to be the subject of the

Today's Events. GENERAL: UK: Mr. James Prior, Employment Secretary, Sir John Greenborough, CBI president and Sir John Meiburn, CBI director general, speak at CBI conference on guidelines for action on employee involvement, London. TV: Management and unions resume negotiations on blackout dispute. Overseas: EEC Energy Ministers hold extra meeting to discuss energy saving, Brussels. OFFICIAL STATISTICS: Construction - new orders (July). Capital expenditure by

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UK COMPANY NEWS

Rowntree Mackintosh margins cut at halfway

ALTHOUGH TURNOVER of Rowntree Mackintosh rose 7 per cent from £231.9m to £242m in the 26 weeks to June 16, 1979, lower trading margins resulted in a reduction in pre-tax profits from £12.51m to £9.31m.

Sir Donald Barron, chairman, says that while it is unlikely that the year's profit will reach the 1978 record of £45.1m, he believes the result will show the group has continued to make progress in world markets.

First half earnings per share restated as 7.2p against 10.2p, but the interim dividend is effectively raised from 2.25p to 2.5p per share. Last year's total was equal to 6.5p.

The sales rise was accompanied by a 3 per cent volume rise and these increases have been reflected in market share increases in most of the markets in which the group has manufacturing facilities.

UK export sales, however, were significantly down, having virtually ceased in January as a result of the transport strike and disruption at the docks, and having fallen both in volume and value in response to the strength of sterling.

Lower trading margins reflect the combined effect of very competitive conditions in the market place, the transport strike and other industrial disruption in the UK, and the consequences of the strong pound, the chairman says.

This latter factor reduced the margins both from general export sales and from sales through subsidiary companies, particularly in Europe. The offsetting effect on import costs is

HIGHLIGHTS

A warning of a serious squeeze ahead for manufacturing industry comes from the Bank of England in its latest quarterly bulletin. The Bank fears that the financial squeeze could be as serious as 1974; Lex considers the implications. Two major companies reported results yesterday and Lex comments. Buoyant base metal prices pushed up the profits of RIZZ to nearly £200m—a 51 per cent increase—and the dividend is 23 per cent higher. However, the company remains cautious

about the outlook for the second half. At Rowntree Mackintosh disappointing figures show a 26 per cent fall in profits to £9.3m which seems to be the result of lost sales caused by the haulage strike and increasing competition. Elsewhere two insurance companies report figures—Legal and General and Eagle Star—while a sluggish half-time performance is announced by stores group UDS. Among a batch of other companies commented on comes Guinness Peat and Molins.

reduced by the operation of the Common Agricultural Policy. Some of the factors which have affected the results of the first half year will have a proportionately smaller effect in the remainder of the year, Sir Donald says. However, in the UK the full effects of the increase in VAT are not yet clear and the possibility of damage from further industrial disruption cannot be ruled out.

As the UK's largest exporter of confectionery, the continued high level of the pound combined with a rising inflation rate is a cause for concern.

Sir Donald tells shareholders it would be possible to offset to some extent the effect of some of the factors mentioned by reducing expenditure on development, on marketing and on capital plant and equipment. This course would carry the

risk of giving up hard won market shares in home and overseas markets and the Board does not believe that it would be in the best interests of the group at present.

From February 14, 1979, The Associated Biscuit Manufacturers will be treated as an associated company.

No share of the interim results of that company has been included in the interim results and an appropriate proportion of the full year results will be included in the annual accounts.

	26 weeks	1978	1977
Turnover	242.0	231.9	231.9
Interest less inv.	12.128	15.515	15.515
Income	2.820	3.001	3.001
Profit before tax	2.326	12.514	12.514
Tax	1.120	2.850	2.850
Net profit	1.206	9.664	9.664
Minorities	420	519	519
Attributable	7.778	8.254	8.254

Rothmans warns of profit fall

Rothmans International could suffer a drop in its interim profits this year, with uncertainties to world trading conditions and in financial markets making it hard to forecast the year's final outcome.

The high rate of sterling had eroded UK export revenues and subsidiary earnings, so that profits for the six months to September 30 were unlikely to advance over those of the same period of last year "and could be lower," chairman Sir David Nicolson told the annual meeting.

He also asserted that the company stood by its conservative dividend policy, which has been criticised by some shareholders. Persistent currency swings added weight to this, he said.

"We would certainly like to

see dividend levels increase, but we would like to see them increase gradually and consistently and not go up and down like a yo-yo."

For the year to March 31, 1979, when attributable profits totalled £47.6m, Rothmans is paying a total dividend of 3.45p. This is covered 1.31p times by earnings and over 10 times on a current cost accounting basis.

Sir David said he had sympathy with those who felt that the dividend might have been increased by more than last year's 19 per cent. "But I must confess that we would rather be criticised for being too conservative on our dividend policy" than otherwise.

Speaking for holders of some 50,000 shares, Mr. Peter Bennett of the Security Growth Invest-

ment management concern asked if the controlling interests of Dr. Anton Rupert in South Africa had put any pressure on the board.

This was denied by Sir David, who stated that "there was no pressure from our major shareholder so far as dividend policy is concerned." He also said that the company was now earning 16.6 per cent on assets employed, with last year's rise in asset backing per share amounting to 23 per cent.

Another small shareholder, Mr. David Myddelton, argued that "it's no good making profits if shareholders never get any benefit from it." Sir David replied that the company was still strengthening its balance sheet and building up its activities. The shares fell 2p to 56p yesterday.

Cliffhanger at Berwick Timpo

BY ARNOLD KRANSORFF

THE FUTURE management structure of toy-makers Berwick Timpo was still undecided last night as scrutineers were counting votes cast at the extraordinary meeting, at which Mr. Torquill Norman, a former chief executive, was fighting to return to the board.

According to first reports, the poll reflected a heavy turnout of shareholders, possibly as high as 90 per cent. The meeting ended at 2.30 pm.

Dividends Announced

Mr. Norman is proposing the removal of three directors, including Mr. John Oakley, chairman and chief executive. His recommendations also include his appointment and that of Mr. J. M. Andrews, a merchant banker.

Yesterday's meeting went ahead on schedule after a last minute attempt by Mr. Oakley to effect a compromise, the details of which have not been revealed. He was unsuccessful—in spite of 11th hour pressures by two institutional shareholders, fund managers Henderson Administration and brokers Stock and Co., who refused to commit their 6 per cent holding until the last moment.

Ahead of the meeting Mr. Norman was claiming 48 per cent shareholder support, which required a minimum of at least 32 per cent turnout for Mr. Oakley to have any hope of fending off the unwelcome proposals.

One interested stockbroker who attended the meeting said: "For a small company, Berwick Timpo has generated a disproportionate amount of heat and light over this issue. It is a triumph for shareholder democracy."

He praised both sides for handling the dispute "in the most civilised of manners."

In his opening statement, Mr. Oakley paid tribute to Mr. Norman's "enthusiasm and to the work which he has done for the company in the past." He confirmed that both sides had tried to compromise right up to the last moment "but unfortunately none of the suggestions which we have made have been acceptable."

Mr. Norman was equally flattering, describing Mr. Oakley and his Board colleagues as men who had worked closely and happily with him. "The entire

UDS up to £10m midway and sees further progress

BY ARNOLD KRANSORFF

DESPITE A reduced contribution from its department stores side, UDS Group increased pre-tax profits from £8.1m to £10.04m for the 26 weeks ended July 28, 1979, on turnover £29.1m higher at £198.7m. For the previous full year, a record £27.62m pre-tax surplus was achieved.

The directors say group sales for the first seven weeks of the second half show a modest increase over last year, but add that it is too early to make a forecast of sales for the last quarter, from which the group derives the major part of its annual profits.

They nevertheless believe that full year results will show further progress.

A divisional analysis of first-half turnover and profits (in £000's) shows: multiple shops £65,464 (£57,623) and £4,576 (£3,929), department stores (£21,510 (£23,146) and £2,832 (£2,150), home shopping £30,014 (£21,473) and £8,044 (£1,798), export and overseas £31,610 (£27,246) and £2,141 (£2,023).

Property and investment contributed £10.4m (£9.9m) while associates' share was down from £835,000 to £283,000. Interest charges fell from £3.36m to £3.01m.

Half-year after-tax earnings per 25p share were marginally higher at 2.6p (2.5p), while the interim dividend is raised from

UDS up to £10m midway and sees further progress

BY ARNOLD KRANSORFF

2.3p to 2.6p net—the previous year's total was 2.645p.

Last May's rights issue realised £24.4m net of expenses and the directors are satisfied that the availability of resources is sufficient to meet requirements in the foreseeable future.

Following the acquisition last month of Van Allan and its associate buying company, a professional property revaluation is to be carried out as at the date of acquisition and is expected to show a substantial surplus over book value.

The department stores division experienced a marked upturn in sales in May and June when a large volume of advance buying took place in anticipation of increased VAT—many of these sales were in low margin durable items. A slackening of demand in July caused a reversal of earnings.

The home shopping side continues to make satisfactory progress and the development of John Myers Mail Order is proceeding.

Profits in the export and overseas division showed a satisfactory increase in spite of adverse exchange rate movements. The group's associate in West Berlin suffered difficult trading conditions and its contribution was also affected by the strength of sterling.

Guinness Peat profits reduced

BY ARNOLD KRANSORFF

ATTRIBUTABLE PROFITS of Guinness Peat Group, commodity to insurance broking concern, were down from £7.97m to £5.48m for the year ended April 30, 1979. The disclosed contribution from the banking side was maintained at £1.6m.

Turnover was lower at £435.65m, against £444.73m, while the pre-tax surplus declined from £11.07m to £7.76m. The result was struck after central costs of £709,000 (£802,000) and non-trading interest up from £2.47m to £4.51m.

However, the directors say that current year results are well ahead of the same period last year, and profits will be assisted by the increased return on the funds released by the sale of the group's property in Graecorch Street.

The directors say that since the year-end contracts have been changed for the sale of this property for £14m—a substantial surplus on the book price. The net rental received was approximately £860,000.

Geographically, there were reduced contributions from the UK and Nigeria, where profits fell from £7.52m to £3.73m and from £2.18m to £746,000 respectively. All other areas improved performance.

A divisional analysis of trading profits of £12.92m (£14.14m) shows (with £000 omitted): commodity broking and dealing £2,308 (£3,070), money broking (part from July 1, 1978) £1,747

comment

A fall in profits in the department stores division is disappointing feature of UDS interim figures. The company blames the rise in VAT, just a few weeks before the end of half-year, as it was keen to clear out summer stock to absorb the higher tax rather than passing it on to the customer, and the result was a drastic fall in margins on some goods. But the second half has begun slowly and it remains to be seen whether consumer demand will be strong enough to enable margins to hold at normal levels. Like all stores, UDS is looking to next month's tax rebates as forerunner of the Christmas season, and its second half which runs to the end of January will beget from comparison with the poor trading January 1979. But analysts are trimming their forecasts back to £32m/£33m pre-tax from £35m so for the full year, which gives a prospective fully-taxed p/e around 10. The main support for the shares.

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Interim Results

Unaudited group results for the half year ended 30th June 1979

	6 months 30.6.79	6 months 30.6.78	Year 1978
Group Premium Income			
Pensions and life business	252.0	237.9	477.6
General insurance	78.4	75.1	131.0
Profit & Loss Account			
Long-term profits after tax	4.9	4.2	9.3
Underwriting loss on general insurance	(6.6)	(3.6)*	(6.0)*
Investment and other income	12.1	9.9	20.3
Associated companies' profits	0.4	0.2	0.0
	10.8	10.7	23.6
Expenses	1.4	1.2	2.8
Group operating profit before tax	9.4	9.5	20.8
Tax	2.6	1.5	5.7
Minorities	0.1	0.1	0.2
Group Operating Profit attributable to shareholders	6.7	7.9	14.9
Earnings Per Share based on group operating profit	4.49p	5.48p	10.27p

*Note: After release from unearned premium reserve £1.7m for 6 months to 30.6.78, £2m for year 1978.

An interim dividend of 2.6p per share (1978 2.263p) is payable on 2nd January 1980. The associated tax credit for U.K. shareholders is 1.114p per share.

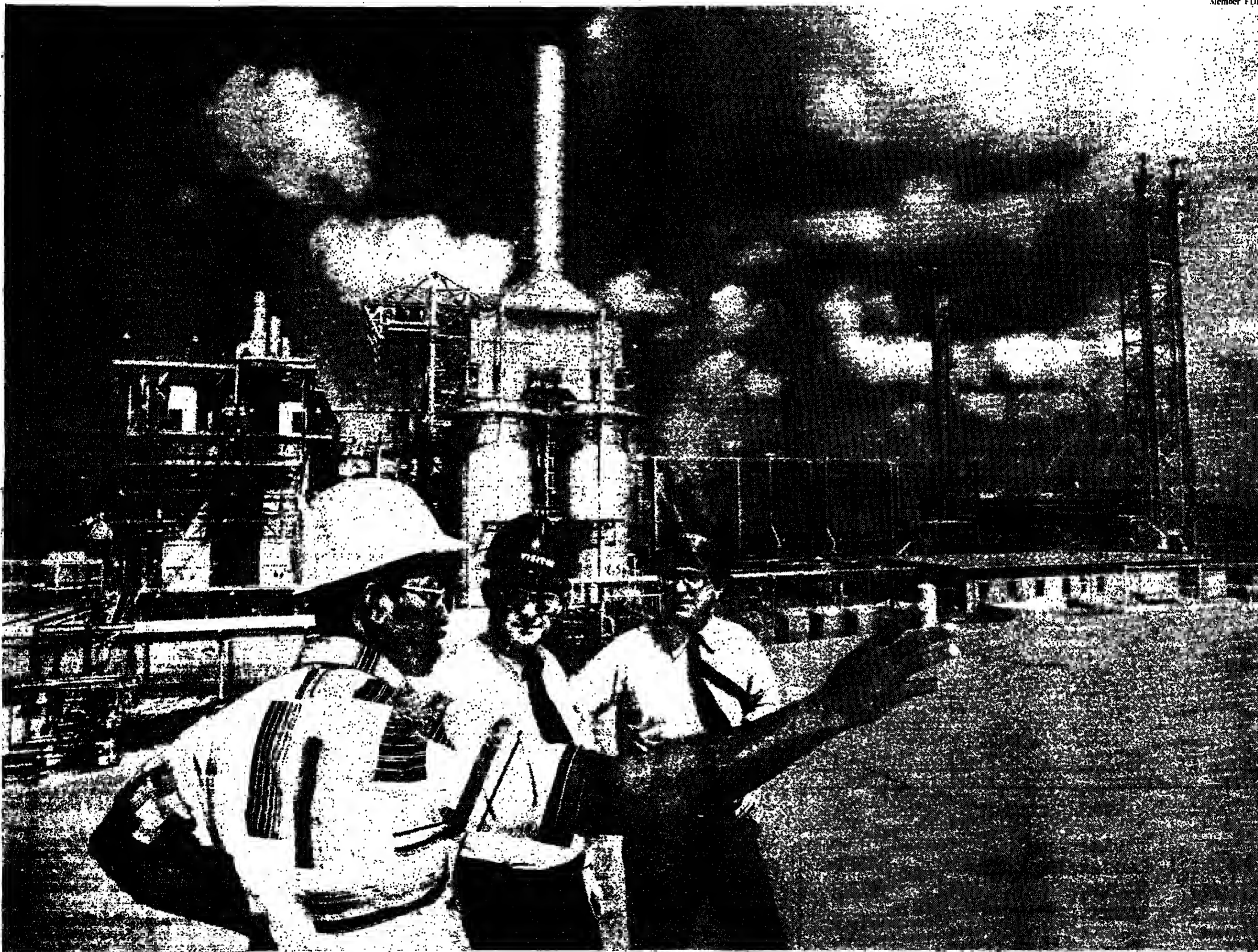
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Financing for this ammonia plant in Trinidad, a joint venture of the government of Trinidad and Tobago and a U.S. company, was designed and arranged by The Morgan Bank's project finance team. Here a plant official (left) describes next phase in project to Morgan vice presidents James Berliner and Michael Stephen.

Developing, extracting, and processing the earth's resources require projects that are large, complex, and expensive. A single enterprise may involve several companies and government entities, and a variety of currencies. To manage these complexities, governments and multinational companies involved in major projects often turn to The Morgan Bank and its Project Finance group for special know-how and experience.

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Companies and Markets

NORTH AMERICAN NEWS

Most big oil groups are in the ring for Belridge

BY DAVID LASCELLES IN NEW YORK

A FORMIDABLE array of bidders, including most of the largest oil companies in the U.S., emerged yesterday for Belridge, the title-known but oil-rich Californian company which came under the hammer at a closed auction on Monday. At yesterday's share price, a takeover would be worth just over \$2.5bn, making it by far the largest in U.S. history.

Shell Oil, the 69 per cent owned U.S. subsidiary of Royal Dutch Shell, has also submitted a bid, but made no deal with Mobil and Texaco. Other companies reported to be interested in buying Belridge are Gulf Oil and Standard Oil of Indiana, although both companies declined to comment on these reports yesterday. Of the 10 largest oil companies in the U.S., only two, Exxon and Conoco, have specifically denied any interest.

Resorts in property sale talks

ATLANTIC CITY - Resorts International said it could not confirm or deny a published report that it may sell the Chalfonte-Haddon Hotel complex in Atlantic City to Holiday Inns for more than \$24m. But Holiday Inns later admitted that its Holiday Inns-Harrah's joint venture company was holding talks with Resorts International concerning the possible acquisition of Atlantic City's Harrah's properties. The company, however, refused to comment further and would not say whether the Old Chalfonte-Haddon Hotel was involved.

Poor start for AM International

LOS ANGELES - AM International, formerly Addressograph-Multigraph, said net income for the fiscal first quarter ending October 30 will be about the same as the 12 cents a share earned in the fourth quarter of 1978-79, but down from last year's first quarter net of 41 cents a share. Despite the poor start, the company said that it expects to show an improvement in profitability for the full 1979-80 fiscal period with progress coming mostly in the second half of the year. It said that it began fiscal 1980 with favourable backlog and strong order rates in all product areas including duplicators.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns for U.S. DOLLAR, STRAIGHTS, DEUTSCHE MARK, SWISS FRANC, and CONVERTIBLE. It lists various international bond issues with their respective prices and yields.

SEC seeks to unwind Sun deal with Becton

NEW YORK - The Securities and Exchange Commission filed a memorandum for relief in the Federal Court here regarding the case of the acquisition by Sun Company, the oil group, of a 34 per cent interest in Becton Dickinson, medical and surgical supplier. Earlier this year, the Court ruled that the Sun acquisition constituted a tender offer in violation of Federal Securities Law. The court found in June that Sun violated the Williams Act by purchasing the Becton stock without notifying stockholders as to its intentions in making the acquisition. The SEC requests that Sun be ordered to divest itself of its stock in the hospital supplies company.

Air Canada chairman dismissed

MR. BRYCE MACKASEY, a former Federal Labour Minister in the early years of Mr. Trudeau's premiership went to his Air Canada office yesterday morning - but it was only to clear out his desk quickly. His dismissal as chairman of the State-owned airline would have come as no surprise to anyone from the moment of his appointment to the CS90,000 a year job last February, following the departure earlier of another controversial liberal, Mr. Yves Pratte. The controversy this year was not so much over the ebullient personality of Mr. Mackasey, who is just over 60, but over what was seen as further political interference in the affairs of Air Canada. Mr. Pratte had been appointed chairman in 1968 by Mr. Trudeau in a move that proved to increase French Canadian influence over Air Canada, hitherto an anglophone province although it is based in Montreal.

EUROBONDS French franc borrowing for Finland

By Francis Ghies THE REPUBLIC of Finland is arranging a two-tranche EFR 150m Eurobond issue through Banque Nationale de Paris. This is the first time the Republic of Finland, a frequent borrower in the Euro-markets, is raising funds denominated in French francs. The issue is, however, the second French franc denominated bond for a sovereign Scandinavian borrower, as Norway borrowed in the currency earlier this year. The issue for the Republic of Finland includes a FFR 80m tranche with a five-year bullet maturity and a coupon of 11 per cent, and a FFR 70m tranche with a maturity of 10 years, an average life of 8.3 years and a coupon of 11.1 per cent. The first tranche has been priced at par and the second at 99.

BANK OF NOVA SCOTIA Specialising in gold pays off

BY ROBERT GIBBENS IN MONTREAL

CANADA'S fourth-largest chartered bank, the Bank of Nova Scotia, was the most successful bidder at the U.S. Treasury's gold sale in Washington, and speculation has naturally arisen about the identity of the bank's customers for the gold. The bank bought 375,000 ounces of the total 750,000 ounces offered. The Bank of Nova Scotia, one of the country's oldest banks and still technically headquartered in Halifax, Nova Scotia, but with operating headquarters in Toronto, had assets of C\$2.5bn as at July 31 last, the end of the third quarter of the current fiscal year, up 29 per cent from a year earlier. In line with the top five Canadian banks, foreign assets account for about one-third of the total. The bank's growth in total assets since the 1973 oil crisis has been among the highest in the country. The bank, headed by Mr. C. E. Ritchie, has the reputation for being one of the most innovative of the Canadian chartered banks, and it led the specialist gold departments in Montreal and Toronto. The business has grown enormously with the rise in gold prices and worldwide demand. One of Canada's leading chartered banks walked away with the lion's share of the gold auctioned earlier this week by the U.S. Treasury. For some years it has been building up a reputation for its discreet handling of the gold market.

Exxon sued by Reliance over tender

By Our New York Staff RELIANCE ELECTRIC, the object of a \$1.17bn takeover bid by Exxon which has been held up by anti-trust actions, yesterday resorted to the courts to force Exxon to pay for the shares it has been tendered. Exxon has been delaying payments on the 95 per cent of Reliance stock it got while it grapples with a challenge to the takeover from the Federal Trade Commission. The FTC is alleging that the takeover would be anti-competitive. Reliance has been urging for several weeks that its shareholders should be paid. The company's president, Mr. Charles Ames, threatened in August to "take whatever action was appropriate" to secure prompt payment. Exxon has, however, argued that the terms of its tender offer have not been met and that it is under no obligation yet to make payment. Mr. Ames said yesterday that the Reliance suit was not an indication that the company had decided that Exxon and the FTC were not going to reach agreement, or that Reliance had changed its position on the offer. "This isn't a hostile action," he was quoted as saying. "I just want the shareholders paid."

Further rise in international borrowing

PARIS - Borrowing on the international capital markets to August totalled \$11.93bn, an increase of 8.8 per cent on the July figure of \$10.97bn, according to the latest statistics compiled by the Organisation for Economic Co-operation and Development (OECD). Of the August total, international bank loans accounted for \$9.76bn, 29 per cent more than the previous month. External bond issues registered a decline of 36.4 per cent to \$2.16bn. Issues of international bonds dropped 33.8 per cent to \$1.21bn, while those of foreign bonds declined 39.5 per cent to \$946.9m. Over the first eight months of the year, international borrowings totalled \$60.16bn. Among individual countries, China borrowed \$2bn on the international capital markets, bringing its total loans so far this year to \$3.38bn. Turkey borrowed \$2.21bn in August, reflecting a debt restructuring agreement signed last month. AP-DJ

EFIM Ente Partecipazioni e Finanziamento Industria Manifatturiera U.S. \$200,000,000 Medium Term Loan. Lead Managed by Midland Bank Limited, Soditic S.A., S.G. Warburg & Co. Ltd. Managed by Banque Européenne de Crédit (BEC), The Long-Term Credit Bank of Japan, Limited, The Mitsubishi Bank, Limited, Toronto Dominion Bank, Banca Nazionale del Lavoro (London Branch), Bayerische Landesbank Girozentrale, Hypobank International S.A., International Commercial Bank Limited, Landesbank Rheinland-Pfalz und Saar International S.A., The Mitsui Trust and Banking Company, Limited, National Westminster Bank Limited, The Royal Bank of Scotland Limited, The Taiyo Kobe Bank, Limited, The Tokai Bank, Limited. Funds Provided by Banca Nazionale del Lavoro (London Branch) in association with Midland Bank Limited, The Long-Term Credit Bank of Japan, Limited, Banque Européenne de Crédit (BEC), Hypobank International S.A., Landesbank Rheinland-Pfalz und Saar International S.A., International Commercial Bank Limited, The Mitsui Trust and Banking Company, Limited, The Royal Bank of Scotland Limited, The Taiyo Kobe Bank, Limited, Co-operative Bank Limited, Dai-ichi Kangyo Bank Nederland N.V., The Commercial Bank of Australia Limited, Australia and New Zealand Banking Group Limited, Bank of New Zealand, Banque Commerciale pour l'Europe du Nord (Eurobank), Clydesdale Bank Limited, Maibermuda (Far East) Ltd., Österreichische Länderbank, Société des Banques S.G. Warburg et Leu Société Anonyme, State Bank of India. Agent Midland Bank Limited.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

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Table with columns for interest rates and dates, listing various financial data for Transocean Gulf Oil Company.

The Debentures specified above are to be redeemed for the Sinking Fund (s) at the Multi-National Corporate Bond Service Department of Citibank, N.A. (formerly First National City Bank), Trustee under the Indenture...

Gulf Oil Corporation BY: CITIBANK, N.A., as Trustee

September 13, 1979

French oil refiner surges ahead

BY TERRY DOOSWORTH IN PARIS

NET PROFITS at Compagnie Francaise de Raffinage, the refinery and distribution subsidiary of CFP, the French Total oil group, rose eight-fold in the first half of this year.

of its business it has been prevented by official controls from raising prices to the same extent as overseas oil companies.

mines nickel in the Pacific territory of New Caledonia, Le Nickel-SLN, reduced its losses sharply in the first half of this year and forecast that it would be back in balance in the second half, David White writes from Paris.

rolled metal group and the state-controlled Elf-Aquitaine oil concern, said that current price levels and sales prospects should lead to further improvement in the remainder of the year. This was despite the decline in the value of the dollar, the currency on which prices are based.

Interfood ahead at half year

By Our Financial Staff

HIGHER SALES and profits for the first six months of this year were reported yesterday by Interfood, the Swiss chocolate group which manufactures under the Suchard and Tobler brands.

Matra lands satellite contract

BY DAVID WHITE IN PARIS

MATRA, THE French private-sector missile builder, has been chosen for a key satellite contract in preference to the state-controlled Aerospatiale group.

Matra's bid was FFr 60m cheaper than that of its state-owned rival. Aerospatiale will still, however, take part in the project as the main contractor of the European Ariane rocket.

Following its takeover of Depapee, a leading manufacturer of telephone receivers, Peritel and a smaller company involved in telephone services and electronics, it expects to multiply its turnover in telecommunications this year by a factor of fourteen — from FFr 44m to more than FFr 600m.

Ahold profit held

holding NV, the supermarket holding company, expects 1979 net profit to be about the same as 1978's.

Austrian bank rate criticised

BY PAUL LENDVAI IN VIENNA

THE INTRODUCTION of a split discount rate has sparked off a spate of critical statements both by leading Austrian bankers and financial commentators who have expressed strong doubts as to whether the "unusual measure" can stop the drain on Austria's foreign exchange reserves.

to attack the earnings power of the banks by imposing a punitive rate of 3 per cent above the discount rate on those banks which resort to Central Bank re-financing aid beyond 70 per cent of their given ceiling.

announced on September 7, a demonstrative revaluation of the schilling by 1.5 per cent. The re-valuation and the latest discount rate experiment should, according to Government officials, contribute to domestic stability.

ADMINISTRACION NACIONAL DE TELECOMUNICACIONES (ANTEL) US \$35,000,000 Ten Year Loan. Guaranteed by BANCO CENTRAL DEL URUGUAY. Managed by BANCO DE LA REPUBLICA ORIENTAL DEL URUGUAY. Co-managed by EUROPEAN BRAZILIAN BANK LIMITED and UNION BANK OF SWITZERLAND.

Malaysia's giant makes steady progress

BY PHILIP BOWLING, RECENTLY IN KUALA LUMPUR

PERNAS, THE Malaysian state corporation, is spreading its wings. An establishment name in the world of tin production, the corporation is aiming to expand substantially both its geographic and operational base.

Expansion at Pemas. Taking resources into national waters, the Board battle three years ago when control passed from expatriates to locals.

assets into the hands of individual Bumiputera investors. It is unlikely that parent company shares will be sold in the near future. But Pemas has been asked to identify profitable subsidiaries which might be suitable for the unit trust.

After eight years in the red, Pemas finally moved into profit two years ago.

More important still is the nature of these holdings, which give it effective control over assets several times greater than its own.

group has turned in profits for the past two years. Last year it made ringgit 98m before tax, 38m after tax and minorities — reducing to 31m if equity accounted undistributed profits of associates are excluded.

But now on, Pemas seems likely to concentrate its capital resources on two main areas, leaving other existing subsidiaries to look after themselves. Pemas intends to be the spearhead investment in basic manufacturing, which the Government believes is badly needed if development momentum is to be maintained, but which requires too much money or technology or is too risky for local private capital.

August 1979

NCL puts in A\$20m bid for Collie

BY JAMES FORTH IN SYDNEY

NATIONAL CONSOLIDATED LTD. (NCL) has made a A\$20m (US\$22.47m) takeover bid for Australia's leading printing ink manufacturer, Collie (Australia). The bid easily tops other efforts to gain control of Collie. NCL already has almost 22 per cent of Collie.

The episode began early this month when Collie announced the placement of 461,000 shares, 3 per cent of the capital to the Adelaide Media Group, Advertiser Newspapers at A\$2.30 a share. This prompted a claim from rival ink group Sydney Cooke, which is 35 per cent owned by Adelaide Steamship Company, that it had already held talks with Collie on a possible merger of the ink operations of both companies.

Cooke also claimed that it had informed Collie that it was a

substantial shareholder (with 18 per cent of the capital, watered down by the placement to 14.5 per cent) and that Cooke directors had said they were prepared to make a bid to all shareholders.

Collie directors denied this latter claim but Cooke promptly announced a share only offer of seven Cooke for five Collie, worth A\$2.52 a share or A\$12.9m, and obtained a court injunction preventing Advertiser from registering the disputed share placement.

The printing machinery group, Aldus, then joined the fray. Earlier this year Collie obtained a 50.88 per cent equity in Aldus, largely through share-market purchases. Aldus announced that the world's largest manufacturer of printing machines, Heidelberg Druckmaschinen, was opposed to an

investment by a competitive distributor, such as Cooke in Aldus.

The agency from the German group accounts for the major share of Aldus sales and profits. The battle moved to the sharemarket where prices moved up to A\$3.50. At this level, Cooke decided to call it a day, sold and withdrew its bid. It now transpires that Advertiser bought about 3.5 per cent of the capital, while Australian Newsprint Mills, controlled by several media groups, also bought about 3.5 per cent.

NCL only entered the contest late last week, apparently with the blessing of the newspaper companies, which were opposed to Cooke gaining Collie and dominating the printing ink market.

NCL purchased a 12.5 per cent stake from the life office,

the AMP Society, and moved to the market with an order for 1.65m shares, or 30 per cent of the capital, at A\$2.50. After picking up about 10 per cent, NCL announced a formal bid for the remainder of the capital.

Collie shares went ex-issu on Tuesday to a one-for-four free scrip offer announced earlier when fighting off Cooke. The NCL bid is A\$2.80 cash ex-issu or two NCL shares plus 10 cents cash for each Collie share, and is equivalent to A\$3.50 on a pre-issu basis.

Advertiser also revealed that it bought Aldus shares during the market defence and now holds just under 20 per cent. To prevent minority holders, including Advertiser, from being locked in, NCL is also expected to seek the remainder of Aldus, possibly through a cash offer by Collie once it has been acquired.

Strong first half advance at Genting

By Wong Sulong in Kuala Lumpur

GENTING, the Malaysian casino and hotel operator, has reported a strong first half, with a 19 per cent increase in pre-tax profits to 25.25m ringgits (US\$12m). After tax, earnings were 21 per cent higher at 13.7m ringgits.

Turnover rose sharply, by 37 per cent to 47.7m ringgit (US\$22m), reflecting higher earnings from its hotel activities, with the opening of a 18-storey hotel last year.

As in previous years, earnings from its casino operations accounted for the bulk of the profits, although contributions came from its substantial investments in Harrison's Malaysian Estates.

The group said that second-half results should be "satisfactory," and that additional earnings would come from the group's diversification into real estate development.

Genting, which has over 12,000 acres in the Genting Highlands, 30 miles north of Kuala Lumpur, recently began developing part of its land near the golf course for luxurious flats, and to date has sold 83 units worth 12m ringgit.

Second-half boost for Sleight

By Our Sydney Correspondent

H. C. SLEIGHT, the diversified petroleum and mining group, put on a spurt in the second half of 1978-79 to lift total earnings almost 70 per cent from A\$6.5m to a record A\$10.43m (US\$11.7m). The dividend is held at 5.5 cents a share and is covered by earnings of 13.3 cents a share, compared with 7.7 cents.

Group sales rose almost 27 per cent, from A\$332m to A\$420m (US\$472m). The bulk of the earnings came in the second half, when profits more than doubled to A\$7.8m. In the first six months earnings edged down by 0.4 per cent to A\$2.6m.

Far East growth lifts Humes

BY OUR SYDNEY CORRESPONDENT

HUMES and Roela Industries, the major pipe manufacturers, have reported widely contrasting results for 1978-79.

Humes has lifted its dividend from 6.25 cents a share to 7.5 cents following a 10 per cent increase in earnings to a record A\$11m (U.S.\$12.3m) in the year to June 30. Tough conditions resulted in lower profits in the first half, but in the second six months Humes boosted earnings 24 per cent to A\$6.6m.

The directors said that the profit reflected substantial

growth in the Far East group, but that Australian operations showed only a small increase. The result equals earnings of 14.6 cents a share.

Roela, on the other hand, suffered a loss of A\$739,000 (U.S.\$850,000), which fell short of the directors' prediction that earnings would be maintained at A\$2m. The dividend has been omitted.

The main setback came from operations in the UK and Canada. Extraordinary losses of A\$3.3m were also incurred, relating to a write-down of Canadian assets and provisions

for future costs and losses in that country.

Following these provisions and a substantial reorganisation of operations, both in Australia and overseas, the directors expect that the group will return to profits in the current year.

The directors had decided to sell or curtail certain activities in the UK and Canada. In the UK, Roela is negotiating to sell its Newport Pagnell factory as a going concern so that it will remain in operation as a major licensee.

Hutchison Properties gain

By Philip Bowring in Hong Kong

HUTCHISON PROPERTIES, a quoted subsidiary of Hutchison Whampoa, has announced that its unaudited profit after tax and minorities for the six months to June 30 more than tripled to HK\$31.3m (US\$6m).

Two-thirds of the profit came from sales of new property developments.

The interim dividend is raised by 5 cents to 25 cents.

Cold Storage development

By George Lee in Singapore

COLD STORAGE Holdings, a major food and beverage group in Singapore and Malaysia, has unveiled a plan to build a shopping complex at a cost of S\$80m (US\$97m) in Singapore's prime tourist and commercial district of Orchard Road.

The complex will have a total floor area of over 700,000 square feet and will house the group's own supermarket.

Public issue to finance Indian explosives plant

BY K. K. SHARMA IN NEW DELHI

KARNATAKA EXPLOSIVES, a company promoted jointly by Chowgule and Company, the industrial credit and development syndicate, and Karnataka Industrial Investment and Development Corporation, is setting up a Rs 30m (just under \$1m) plant in the Kanara district of Karnataka state to manufacture industrial explosives, of which there is a shortage in India.

It will enter the capital market on October 5 with a public issue of 490,000 equity shares of Rs 10 each at par, to help finance the project.

Karnataka Explosives holds an industrial licence for manufacturing 30,000 tonnes of industrial explosives. Its technical collaborator is E. I. Du Pont de Nemours of the U.S.

The plant is expected to be commissioned by November, 1979. Initially, the company will set up the first modular plant with a capacity of 10,000 tonnes of explosives a year. Production

in the first year is estimated at about 4,000 tonnes, worth about Rs 40m.

Production in the second year is expected to rise to 6,000 tonnes and in the third year to 10,000 tonnes. The company will achieve its rated capacity of 20,000 tonnes by the fifth year. It hopes to achieve the break-even point by the second year.

Alia of Jordan leads in UK hotel move

By Rami G. Kheiri in Amman

FOUR international airlines, led by Alia of Jordan, which have traditionally relied on British suppliers to support their UK operations, have agreed to establish a holding company that would acquire a five-star hotel in London.

The group, also including Kuwait Airways, Middle East Airlines of Lebanon and Gulf Air, would also acquire a joint catering service in London. The two service industries would serve the needs of the carriers and possibly others as well.

Alia said the four airlines are expected to formally approve the formation of a holding company at a meeting of their chairmen in Bahrain on September 25.

The holding company would be registered offshore for tax and shareholding purposes, and could extend its operations to other European points if the London project is a success.

The airlines rent about 200 rooms in London on a permanent basis, which means a 500-room hotel could be an

economic venture given a guarantee of such permanent occupancy from the airlines' business.

Similarly, they are now spending about £2.1m a year on catered meals at Heathrow airport.

Setback at Island and Peninsula

By Our Kuala Lumpur Correspondent

PRE-TAX profit at Island and Peninsula, the diversified Malaysian real estate, plantation and mining group, for the first-half ending July, was 10.55m ringgit (US\$4.9m), which was marginally lower than the profit of 10.82m ringgit previously.

Turnover, however, fell by nearly 20 per cent. The drop in turnover was attributed to the lower volume of houses sold by the company during the period.

The group's palm oil subsidiary, Austral Enterprises, raised profits by 110 per cent to 3.12m ringgit, helped.

The group's 63 per cent owned Talam Mines also reported a small increase in pre-tax profit from 240,000 ringgit to 269,000 ringgit.

Island and Peninsula is paying a 10 per cent interim (9 per cent previously).

Cement groups cash in on building boom

By Our Kuala Lumpur Correspondent

THE BUOYANT conditions in Malaysia's construction industry have strongly influenced the results of two companies supplying building materials—United Asbestos Cement and Malex Asbestos Cement.

UAC's after-tax profit for the year ended June has risen by 35 per cent to a record of 9.5m ringgits (\$4.5m).

It is paying a final dividend of 12.5 per cent, and is declaring a bonus issue of one-for-three to increase its issued capital to 35m ringgits. Total dividend for the year is 25 per cent.

Malex, a smaller company, saw its pre-tax profit for six months ended June rise by 27 per cent to 2.02m ringgits, although turnover rose by only 6 per cent to 10.4m ringgits.

These certificates having been placed, this announcement appears as a matter of record only.



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Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the three months from 21st September, 1979 to 21st December, 1979 the Notes will carry an interest rate of 13 3/8% per annum. On 21st December, 1979 interest of U.S. \$33.81 will be due per U.S. \$1,000 Note and U.S. \$338.09 due per U.S. \$10,000 Note for Coupon No. 2.

European Banking Company Limited (Agent Bank)

30th September, 1979

Weekly net asset value on September 17, 1979

Tokyo Pacific Holdings N.V.
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Tokyo Pacific Holdings (Seaboard) N.V.
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HFL Bonds	91.21	91.22	HFL Bonds & Notes	6.670	6.814
U.S. \$ Str. Bonds	98.57	94.02	U.S. \$ Str. Bonds	10.039	9.981
Can. Dollar Bonds	97.73	94.25	Can. Dollar Bonds	10.772	10.659

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\$60,827,471

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Copies of the prospectus containing details of the Fund and application forms are obtainable from:

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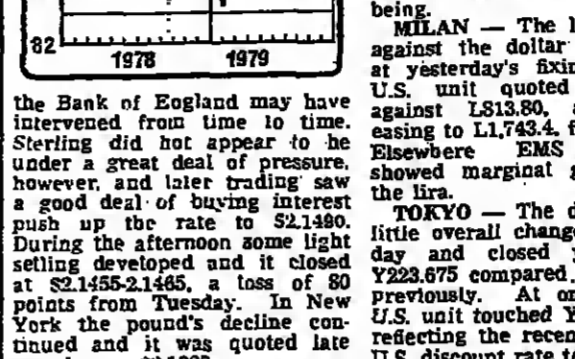
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Deutsche Bank, Dresdner Bank, The Taiyo Kobe Bank Ltd., Abu Dhabi Investment Company, A.E. Ames & Co. Limited, etc.

Sterling weak

Trading was much quieter in foreign exchange markets yesterday... Sterling continued to suffer the effects of a breakdown in talks...



THE POUND SPOT AND FORWARD Table with columns for Sept. 19, Day's spread, Close, One month, % Three months, % Six months

THE DOLLAR SPOT AND FORWARD Table with columns for Sept. 19, Day's spread, Close, One month, % Three months, % Six months

CURRENCY MOVEMENTS Table with columns for Sept. 19, Bank of England, Morgan Guaranty, etc.

MILAN - The lira improved against the dollar and sterling at yesterday's fixing...

TOKYO - The dollar showed little overall change from Tuesday... The dollar touched 222.41 partly reflecting the recent rise in the U.S. discount rate to 11 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates with columns for ECU, Currency amounts, % change from previous day, etc.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates with columns for Sept. 19, Pound Sterling, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates with columns for Sept. 19, Sterling, U.S. Dollar, etc.

OTHER MARKETS

Table showing other market rates for Argentina, Australia, etc.

INTERNATIONAL MONEY MARKET

Paris rates firm... Short-term interest rates rose sharply in Paris yesterday... London money market rates...

GOLD Little change

Gold traded in much steadier conditions yesterday... Gold prices were relatively stable...

UK MONEY MARKET Full credit

Bank of England Minimum Lending Rate 14 per cent... UK money market remains stable...

LONDON MONEY RATES

Table showing London Money Rates with columns for Sept. 19, Sterling, etc.

EUROPEAN INVESTMENT BANK LUXEMBURG SWISS FRANCS 100 000 000 4 7/8 % SWISS FRANC BONDS OF 1979 DUE 1985/94

Handwritten Arabic text at the bottom of the page.

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FINANCIAL TIMES SURVEY

Thursday September 20 1979

BRUSSELS

Euro-Brussels and the Brussels of Nato and corporate head offices are worlds apart from the affairs of everyday Belgium. This year the city has been celebrating its Millennium against a background of continuing political strain between the French-speaking Walloons and Dutch-speaking Flemings. The future status of Brussels will depend on the outcome of pressures to turn it into a federal capital instead of a national one.

Political tensions still at impasse

By Giles Merritt

BRUSSELS HAS a weakness for anniversaries. It is symptomatic not of the city's heritage and history, one suspects, but of its role as capital of a Belgium that is a comparatively recent — 19th Century — creation.

Down in the Grand Place, the medieval showpiece of Brussels, the city has this year been celebrating its Millennium. Pageantry, concerts and sundry cultural events have all been organised to publicise Brussels' thousandth birthday.

On the eastern fringes of the city tourists still flock to the Atomium, the huge, shiny molecular edifice that stands in the exhibition grounds of the Centenaire park that was created in 1930 to mark Belgium's first 100 years.

Near the steel and glass Berlaymont building that houses the European Commission in the newer Quartier Leopold section of the city, the skyline is dominated by the bulk of the Cinquantenaire. It is a Brandenburg Gate-style archway of

massive proportions erected in 1880 to proclaim the Kingdom of Belgium's Jubilee.

The Eurocrats of the EEC Commission and the officials and diplomats accredited to it by the nine member countries of the Common Market often seem as oblivious to the nearby Cinquantenaire as they are indifferent to the excitement of the city's millennium festivities. Perhaps it is because their concern is the immediate future of Europe, not its past. More likely, though, it is due to the fact that Brussels is not one city but several.

There is, first, Belgian Brussels. It is an element of the city that rarely intrudes into the consciousness of the "other Brussels," but the city remains not only the administrative centre of the country for it is also Belgium's most pressing political problem. The split between Francophone Brussels and the Flemish, Dutch-speaking areas of the city is crucial to the country's intractable rivalry between the two communities.

The political tensions that eddy between Belgium's fractious politicians and the government ministries of Brussels rarely impinge on the life of the parallel city that is capital of the European Economic Community. Euro-Brussels is a world apart. Concerned with the direction and policy-making of the Common Market, it is an international negotiating place that understandably views the day-to-day business of the Belgian capital as parish pump politics unless they have a bearing on the country's stance inside the EEC.

Out on the road to Brussels'

Zaventem Airport there exists yet another, separate section of the city. The buildings that house the headquarters of Nato, the North Atlantic Treaty Organisation, are squat and featureless and the officials of the Western military alliance whose preoccupations are nuclear deterrents have little involvement with the affairs of Brussels.

Perhaps the largest "alternative Brussels," however, is international-Brussels. The city grew to commercial importance in the 12th and 13th centuries, when its position straddling the London-Cologne trade route boosted the cloth trade. Today it is still one of the major crossroads of Europe and the corporate home for a variety of major international corporations.

Phenomenon

The recession years of the mid-1970s have threatened Brussels' hopes of becoming a European New York in terms of corporate head offices, but the broad sweep of the Avenue Louise is still lined with the office blocks of major multinationals, headed, undoubtedly by I.T.T. the U.S. conglomerate that administers its European empire from Brussels.

Larger capital cities absorb international communities easily enough, but with a population of just over 1 m Brussels is to some extent on a par with Lyon or Birmingham and the phenomenon of a city divided up into separate communities is widely recognised.

It is scarcely surprising, for the city's foreign population now passes 200,000. In addition



Street scene in Brussels: a different world to that of the Eurocrats

to the thousands of American families who manage to recreate the American dream in the ranch-style villas of suburban Waterloo, the Eurocrats and diplomats create their own tight national social circles in which Danes or Italians, say, rarely mingle with Britons or Germans.

It is not surprising, given the number of sub-communities into which Brussels is split, that the city is often said to lack a clear-cut identity. Brussels is

comfortable in most respects, having a well-organised transport system, good housing, excellent roads and high culinary and cultural standards. But it lacks the atmosphere and character that distinguish most major European capitals.

The matter of Brussels' millennium captures neatly the uncertain spirit of the city. If a city can be said to have been founded at any particular moment, then Brussels is now 1002 years old but postponed its

millennium for reasons that were to some extent commercial. In AD 977 the site of Bruocsella on the River Senne was deeded by Otto, the second of the Holy Roman Emperors, to Charles, Duke of Lotharingia (Lower Lorraine). Charles constructed a fortress and the city grew around that.

But the year 1977 had already been earmarked for celebration of the painter Rubens 400th birthday, and last year was the 25th anniversary of King

Bandouin's accession to the Belgian throne. The millennium of Brussels was thus quietly shifted to 1979 and one Belgian official involved in this mild deception was put on record with the quote: "Let us not speak of the past."

It is, in any case, the future of Brussels that provides the most concern in Belgium. The capital is not only the chief flashpoint for the political rivalries between Francophone Walloon and Dutch-speaking Flemings, it is also at the constitutional core of all attempts to negotiate a settlement by devolving power back to the regions.

The city lies just inside the southern boundary of Flemish Belgium; but although originally a Flemish city it is now a predominantly Francophone place with an estimated four out of every five Brusselsians speaking French as their first language. The militancy of the Front des Democraties Francophones, the Brussels-based political party that was founded to champion the fight to make Brussels a third, autonomous region in Belgium after Flanders and Wallonia, has already contributed much to the country's governmental instability.

The present Belgian government, headed by M. Wilfried Martens, himself a Flemish Social Christian, is shortly to unveil its proposals for redefining the status of Brussels. If he grants too much in terms of local powers to the city he risks eroding his Flemish support. Too little and his coalition will be threatened by an FDF walk-out.

The impasse over the city's political future can be said to

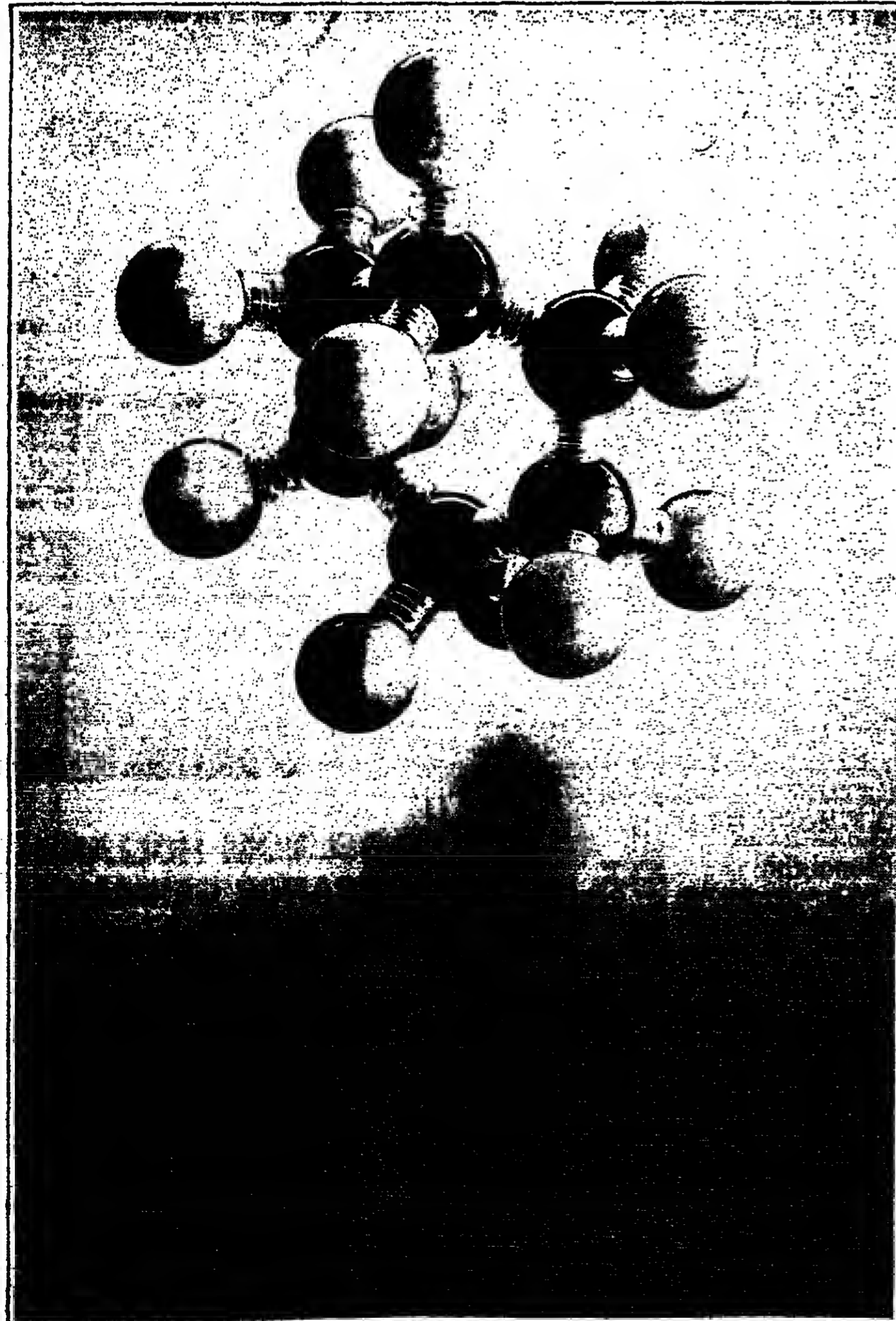
sum up some of the paradoxes that distinguish Brussels. Although capital of Belgium and, in a fashion, of the EEC, it faces a significant decline in its influence and role as administrative centre for the country. If FDF militants are fighting to bolster Brussels' local powers it is in order to save what they can from the debacle, for Flanders and Wallonia have demanded that Brussels be stripped of central authority so that each community can jealously govern itself.

Ironic

On present trends, Brussels may find itself a federal rather than national capital, becoming to Liege and Antwerp as Bonn is to Munich or Hamburg.

To add insult to injury, the Brusselsians are still digesting the implications of the city's quasi-bankruptcy. In ironic counterpoint to the festivities of the Millennium, Brussels has been hit by a bankruptcy crisis that is comparable in scale to the ills of New York. Emergency funds were hurriedly found not long ago to pay the salaries of the city's 2,400 workers, while the finances of the 19 communes that make up Greater Brussels are beset by credit problems.

The self-styled Capital of Europe has spent both its entire 1979 budget and that of 1980, and no satisfactory rescue programme has yet been put forward. It is a crisis, however, that most Brusselsians bear with fortitude, for as one native-born inhabitant of the city recently joked: "It takes a lot to dampen the spirit of people who live somewhere that has rain more than 200 days a year."



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IT IS A COMMONPLACE observation that there is no Belgian communal problem—the a Brussels problem. Certainly the tensions which beset relations between Belgium's two main linguistic communities—the Dutch-speaking Flemings and the French-speaking Walloons—can be exaggerated.

The great majority of members of both communities see little of each other and have little or no direct experience of communal conflict. But this is much less true of the communities which lie on the language frontier which bisects Belgium roughly from the north-east to the south-west. It is least true of the occupants of Brussels, which lies just inside Flemish territory but traditionally has been a majority French-speaking capital.

The figures for the number of Brussels who speak French or Dutch are both uncertain and hotly contested. But it seems that about 80 per cent habitually speak French and up to 20 per cent Dutch. It would, however, be quite wrong to assume that the Brussels Francophones were, for the most part, Walloons. In fact the great majority of French speakers in Brussels are, by recent or more distant origin, Flemings, as can be seen from the Flemish character of their surnames.

One of the ironies of the Belgian linguistic/political scene is that some of the most intransigent members of the Brussels Democratic Front of French speakers (FDF) are called Van this or Van that in the Flemish manner.

Brussels, although originally a Flemish city, came to be French-speaking because the feudal ruling families in the province of Brabant spoke French. French became the language of administration, education and commerce. The bourgeois revolutionaries who created Belgium in the 1830s—whether Walloon or Flemish—tended to be French speakers. As Brussels grew and developed it drew in successive waves of migrants from the surrounding Flemish countryside. Because French was the only permitted language of government, commerce and education (and because Dutch was denied official recognition) the Flemings were obliged to integrate

themselves into a Francophone culture.

Over the years Francophonism—to the less privileged sections of Belgian society in particular—came to represent some kind of guarantee of economic and social advance. As the Flemish nationalist movement developed during this century and the Dutch language gradually won parity status with French in the Belgian state, the Francophoned Flemings of Brussels clung all the more tenaciously to the French-speaking character of their city.

They became—even more than the Walloons—the most bitter opponents of the rising power and influence of the Flemings. The latter had tended to rise higher in government service because more typically than French speakers, they meet the conditions of bilingualism laid down in many jobs in the civil service and State industry.

It was not until the late 1950s and the early 1960s that the last barriers to Flemish advance and the discriminations against Dutch speakers were removed. It was in these years that the Belgian political parties were progressively split into their linguistic components. Now there are separate Social Christian, Socialist and Liberal parties for the two-language communities.

It was also in these years that a majority of the French speakers turned towards the militant FDF and the campaign to win for Brussels an equal status in the Belgian constitution to that of Flanders and Wallonia began to gain ground.

Powers

All the Francophone parties in Brussels—and not just the FDF—now insist that as Belgium prepares to move into a radically devolved system of government and administration—Brussels should be “one region a part entire.” This suggests that the 19 communes—or local authorities—of the “agglomeration” of Brussels should be given sweeping powers over economic and social policy (including sensitive subjects such as education) as well as strictly local or regional questions.

Further, the FDF and some other Francophones want to ex-

tend the size of Brussels to absorb a number of communes where there is a Francophone majority, but which presently are situated in Flanders. The French speakers in these communes are already given special language facilities which is resented by many Flemings.

Both claims raise the hackles of the Flemings who ridicule the idea that a capital of little more than 1m people should be treated as a region equal in significance to Flanders with 5.4m or even Wallonia with just over 3m. But they see a particularly sinister motive in the expansion of Brussels since any expansion to the south would form, in effect, a corridor of French-speaking territory through Flemish Brabant to Wallonia.

Unless Brussels' ambitions are halted now, many Flemish politicians insist, the city's expansion will mean the progressive cultural colonisation of Flemish territory. The Flemings mean

by this the process whereby Dutch-speaking, Flemish farming villages become “suburbanised” and converted into townships for Francophone Brussels commuters.

The coalition government, headed by M. Wilfried Martens, is due shortly to make known its proposals for the settlement of the outstanding issues holding up agreement on devolved government. This means the Government will have to grasp the Brussels nettle and decide exactly what status and powers the capital is to be accorded in future.

Even among Francophone Socialists, Social Christians and Liberals there is willingness to agree to a special bi-lingual status to Brussels as the national capital, with the future federal government having the final say in the decisions of the future regional administration.

On the other hand the Flemish parties, notably the Social Christians and the

Flemish Nationalist Volks Unie, want to diminish Brussels' future powers to a degree that the Francophones seem certain to oppose. It is for this reason that FDF Ministers in the present coalition with the Social Christians and Socialists are already openly criticising Flemish parties for backsliding on promises for a three-regions constitution made when the present government was formed after the long political crisis earlier this year.

Tensions

If the FDF were to pull out of the government, or if the “Community Pact” as the outline agreement on devolved government is known becomes a contentious issue, the coalition could fall apart.

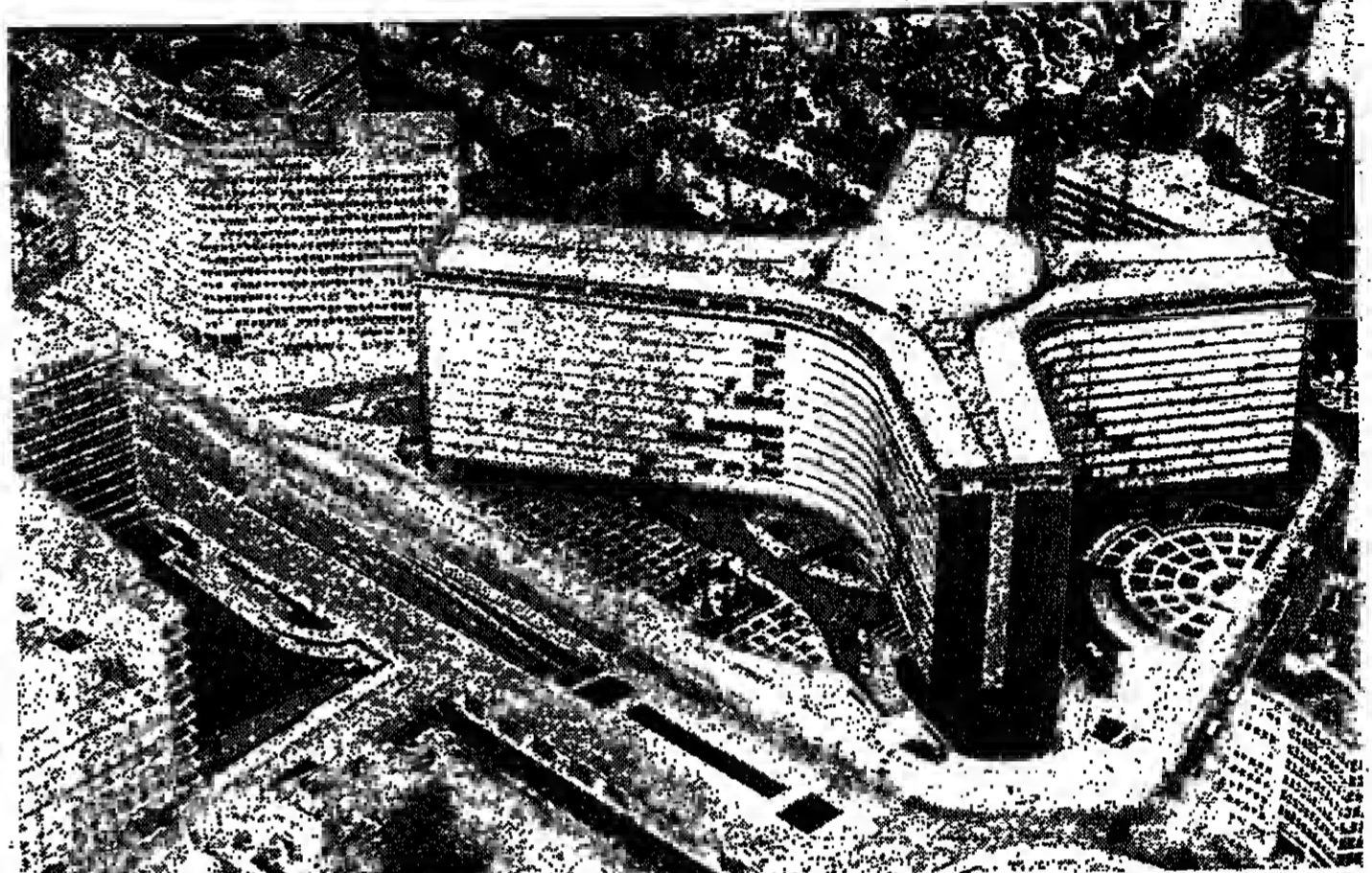
In spite of the tensions and still major differences over the future shape of the country's administrative system, few

politicians on either side want a full-scale communal crisis—with its perennial risks of violent confrontation—or another prolonged period without an effective government.

Flanders, Wallonia and Brussels face similar social and economic problems arising from increasing inflation and the structural decline of sectors of the Belgian industry. “We have far too many other important things to talk about and to decide without wasting time with another communal crisis,” one opposition Flemish liberal said recently.

This is a sentiment widely echoed in Belgian political life. But if the communal issue does come to life again it will be in all probability because Belgians still have not found a place for their bi-lingual national capital in a country where the two main language communities are drawing ever further apart.

By a Correspondent



The Berlaymont Building, headquarters of the EEC Commission, where many of the Community's decisions are made

Heart of the European Community

ONE OF EUROPE'S nicer diplomats, a gentle man not easily provoked, who is currently on secondment to the EEC Commission, was obliged recently to go down to the parcel sent from the UK. The progress from counter to counter, each clerk demanding yet another import duty or “administrative fee” on completion of yet another form before he would sign the papers, reduced him to a state of near apoplexy.

“Does the concept of a Common Market mean nothing to you?” he roared at a succession of bewildered desk clerks. It has taken him days to get over it.

Brussels, heart of the European Community, might as well be in a different country from the Belgian capital. Inhabitants of the one rarely venture into the other. The Berlaymont Building, home of the Commission, commands splendid views of the rooftops of Brussels but, curiously enough, few glimpses of streets or squares. And from street level in most parts of the city the Berlaymont, one of its tallest buildings and on a hill to boot, remains hidden.

Although many of its proposals are turned upside down and inside out during their passage through the Council of Ministers across the road the Commission likes to think of itself as more than a civil service. And the hundreds of lobbyists who operate in the Community devote a good deal of time and energy to the Commission.

These lobbyists include farmers' unions, steel corporations, commodity traders, consumer organisations, the Caribbean sugar producers, New Zealand dairymen, Hong Kong textile representatives—an endless stream of persuaders hoping to steer the Commission gently in the direction they themselves would like best.

When the Commission considers its proposals ripe for implementation, they are sent for approval across to the Charlemagne Building and to the permanent representatives of the nine governments which make up the EEC. Much of the initial negotiation takes place in COREPER, the French acronym for the Committee of Permanent Representatives or EEC Ambassadors to the Community. But the bigger decisions are generally arrived at by the Council of Ministers, which meets several times a month in the Charlemagne Building.

Each member state has a seat in the council, which may be occupied at different times by its foreign, finance or agriculture Minister. Some council meetings, farm councils for

example, may go on all day and all night; others such as environment or transport, councils tend to last only a few hours.

Most of the bargaining in the Community takes place in this triangle—the Commission, the member governments and the lobbyists. But a fourth group has been standing for a long time with its nose pressed against the window pane and is now impatient to get in. This is the much derided European Parliament which was for a long time written off as a bunch of second-rate politicians who had little of relevance to say about Europe.

Although parliamentary committees meet in Brussels, sessions of parliament always take place in Luxembourg (home of the parliamentary secretariat) or Strasbourg. Thus the parliament's members and staff spend a lot of time shuttling from one to the other, with the opportunity to wield their influence onto the Brussels machinery.

By keeping the parliament out of Brussels national governments have been able to ensure maximum difficulty for MPs trying to influence decisions.

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هكزانة الاداء

BRUSSELS III

Multinationals looking elsewhere

BRUSSELS WAS not bombed during the war, but with the setting up of the European Community, property developers soon rectified this omission. The bigger streets were stripped of their trees and their 19th-century Parisian-style houses with delicate wrought iron balconies, to make room for more traffic and big concrete office blocks.

Underpasses, overpasses, car parks and motorways proliferated all over the place. All this was meant to house not only the Community institutions which took up a relatively small amount of space, but also the thousands of multinational corporations which began to set up their European headquarters in the city. Brussels, it appeared, was to be the new Euro-capital.

In business as well as in EEC administration. Today, the traffic remains but the companies are slowly pulling out and few new ones are replacing them. Little more than half the available office space in the city is currently occupied and much of that is accounted for by either the Belgian Government or the international institutions associated with the EEC and NATO. In fact, it now looks as though Brussels is not going to get much bigger as a business centre, partly because of the stagnation of overall foreign—mainly American—investment in Europe, partly because the activities of the EEC are less relevant to big business than was originally envisaged. The big American corporations controlling European sub-

sidaries, whose sales are estimated at 15 per cent of the total EEC gross domestic product, were to have been the basis of Brussels' new status as the Euro-capital. With Geneva in decline as a centre for management, many hoped that large numbers of U.S. concerns would follow the lead of IIT and set up headquarters in Brussels. The American presence was already well established. During the 1960s, U.S. industry accounted for 65 per cent of all foreign investment in Belgium and by the end of the decade, provided 13 per cent of jobs in the manufacturing sector. According to some estimates, the U.S. share of overall foreign investment is now below 20 per cent and appears to be declining faster than the general trend.

to give their undivided attention. A few years ago, they might have been influenced by the presence of the Eurocrats in considering Brussels as a possible site for headquarters; today, the trend seems to be towards setting up much smaller, streamlined "listening posts." When all else fails, the Belgian authorities point to their capital's situation at the "crossroads of Europe, its regular and rapid air and rail links with all the major European cities, not to mention excellent electronic communications. The trouble is that instead of attracting foreign companies to set up their headquarters in Brussels, this empty makes it easier for them to supervise their European operations from home.

Stable

Surveys of the 1,000 or so U.S. companies in Belgium indicate a general 25 per cent drop in investment in the five years to 1981, approaching 40 per cent in the manufacturing sector. This cannot be wholly attributed to global post-1973 recession—U.S. companies in 1977 increased overseas investment by 9 per cent, and the overall level of U.S. investment in Europe, appears stable, if not stagnant. According to U.S. investors, the problem relates specifically to Belgium. The country is simply too expensive, they say. Wages are higher not only than anywhere else in Europe, but higher even than in the U.S. On top of this, companies operating in Belgium have to pay social security contributions equal to more than 50 per cent of the paid wage, the highest in the world. And whereas many U.S. companies say they are happy to pay above average wages to attract workers, they balk at the social security contributions.

Added to these and other high production costs, relative strength of the Belgian franc against the dollar has convinced many U.S. investors that the returns to be got in Belgium are unattractive. Were it not for the high cost of getting out, which includes extremely high payments for termination of labour contracts, many more might have pulled out.

Generous tax concessions offered by the Belgian Government in a desperate attempt to reverse the trend have had little impact and the other big card up its sleeve, the presence of the EEC Commission, turns out to be no trump. EEC industrial and commercial policy-making is a slow, cumbersome process—which the bigger companies watch, but do not feel obliged

For Belgium, with one of the highest unemployment rates in the EEC, the problem is acute. For Brussels, which is on the verge of bankruptcy, it is even worse. The city's financial problems reached crisis point last June when the city authorities were unable to pay their employees' and emergency funds had to be arranged to cover hardship cases. Since the revenues expected up to the end of 1980 had already been spent in advance, it took the personal intervention of the Prime Minister, Mr. Wilfried Martens, to arrange bridging finance.

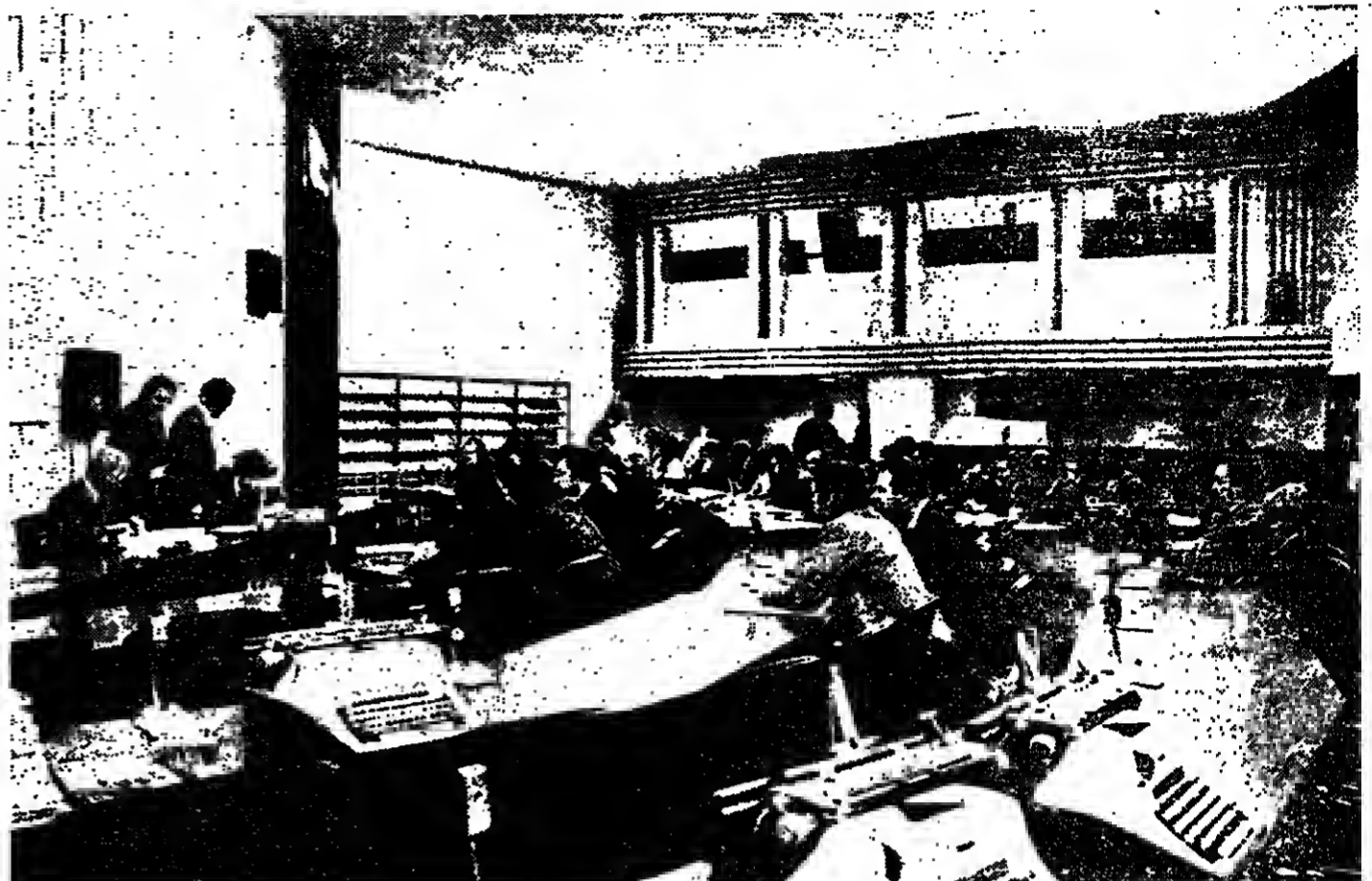
The economic disadvantages which foreign companies say dissuade them from setting up or expanding operations in Brussels are clearly the major factor. But another factor which may influence them is the reluctance of a considerable number of their employees to accept a three or four year posting to the city. It suffers in comparison with neighbouring Paris and Amsterdam, and is widely regarded as a dull and unpleasant place to live.

Boring

Corporate employees glad to leave after their term is up complain that there is nothing to do but eat, that the politics are boring, the night life provincial, the natives unpleasant, their dogs disgusting, the officials officious and the police downright fascist.

This is no doubt somewhat unfair, but the attitude is depressingly common in the expatriate community. Perhaps the Bruxellois, whose chief delight seems to be dressing up in period costume and parading through the streets at peak traffic periods, should try to provide something a little more exotic.

Margaret van Hattem



The Press room in the Berlaymont Building. A part of the complicated web of lobbying and influence that the EEC involves

Community

CONTINUED FROM PREVIOUS PAGE

ing to build up the close unofficial contacts with Commission officials, council officials and diplomats which often provide the only means of finding out what is really going on in the Community.

Up till now, the debates and reports produced by the parliament indicate that its members had little idea of what was going on. But the new directly-elected parliament, which convened for the first time in Strasbourg last July, may not be so easy to exclude. A decision has yet to be taken on a permanent seat for the parliament and although Luxembourg and Strasbourg backed by their national governments, are fighting hard to consolidate their grip, Brussels is a strong contender certain to pick up a lot of support from the MPs themselves.

The battle involves national prestige—but also a great deal of money. Community institutions own no real estate. They occupy buildings leased from the local authorities in each of the three cities. The rent on these buildings, though a minuscule item on the Community budget, looks rather bigger on the credit side of the municipal budget.

Even bigger, however, are the financial spillover effects accruing from the presence of thousands of highly-paid officials and MPs, all of them naturally living on generous expenses allowances. Over the years, this has had a considerable impact on the economies of the cities involved and, should the parliament suddenly shift to Brussels, the effect at least on the Luxembourg economy could be catastrophic.

This may not deter the new MPs, should their determination to become an effective part of the EEC policy machine outlast the first burst of euphoria following the direct elections. On the other hand, Luxembourg and Strasbourg have been racing neck and neck to put up bigger and better buildings to house the new parliament, and the decision to leave these empty could be politically difficult.

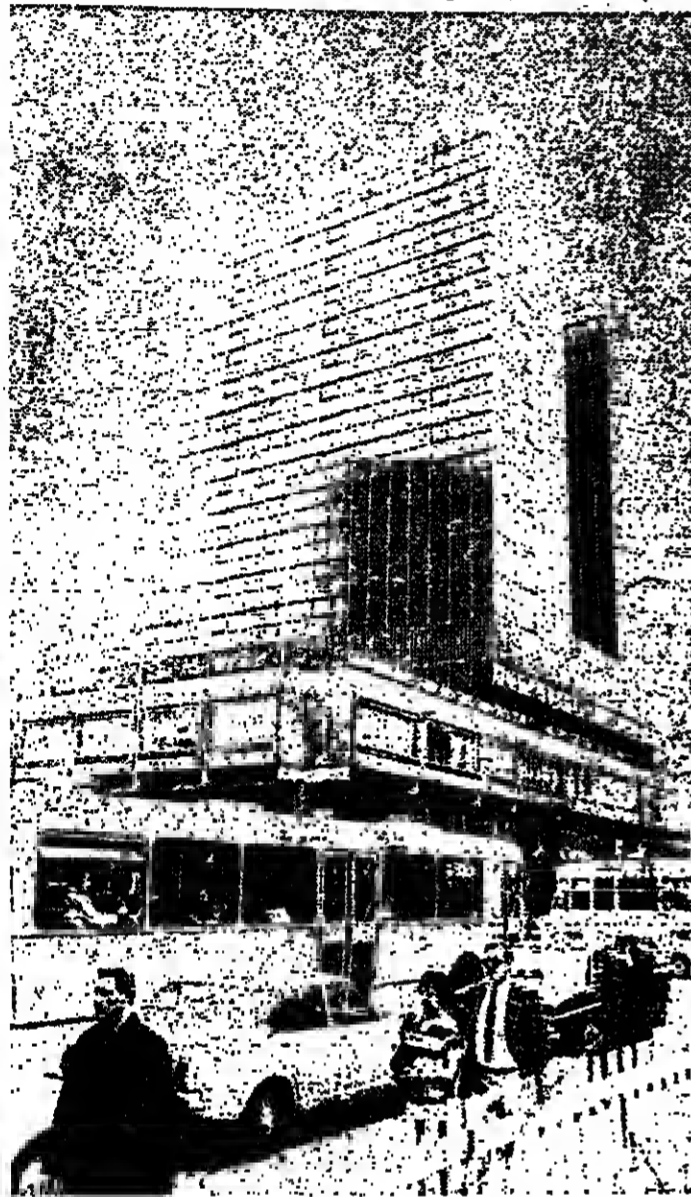
Impact

For Brussels, the economic impact of incorporating the parliament would barely register. It already houses so many Community institutions, embassies and multi-national corporations that another small institution would make little immediate difference. However,

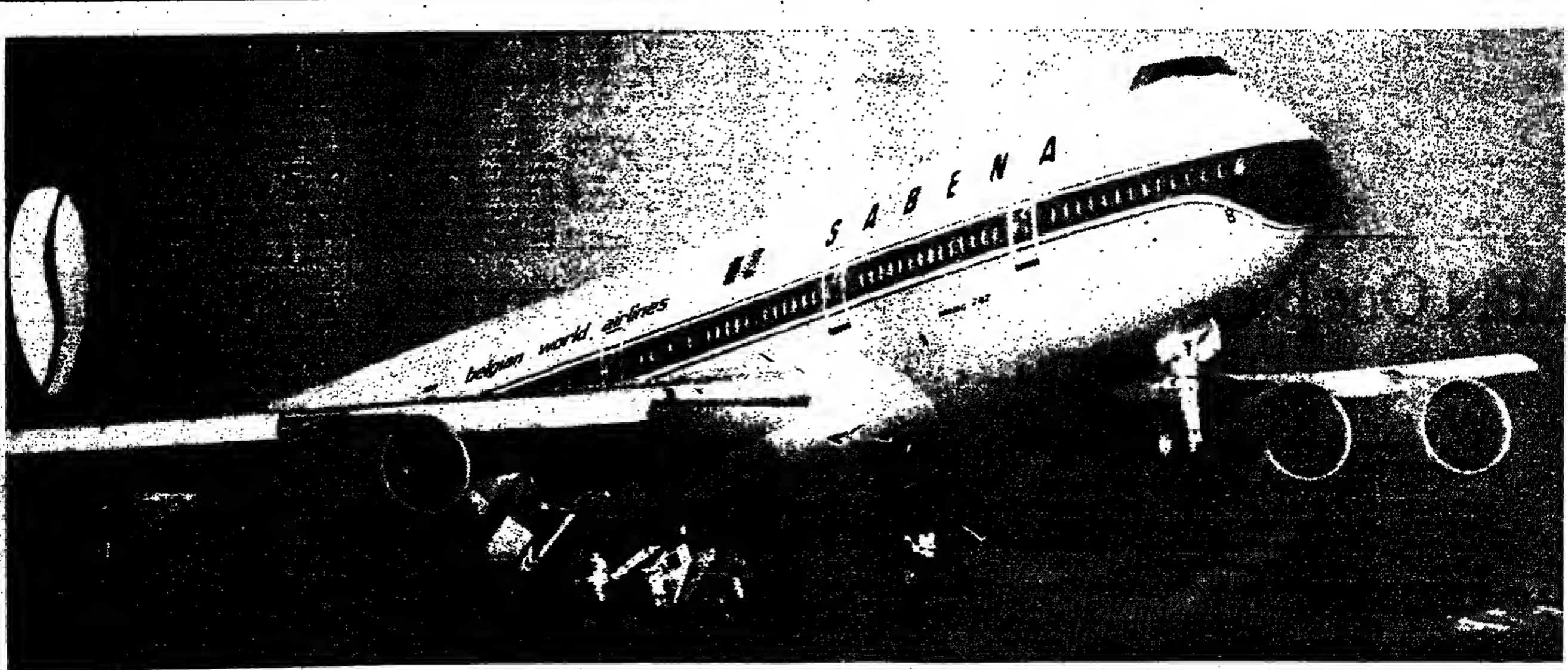
signs that the big corporations are losing interest in Brussels have led to increasing concern on the part of the Belgian authorities that the city's role as the capital of Europe is waning.

Now that the city appears close to bankruptcy, they would probably see the setting up here of the Parliament as at least a step back onto the right path. The presence of the various companies and institutions and their highly-paid employees has obviously had a major effect on the Belgian economy, not least on the cost of living in Brussels. But the average Bruxellois, whose wages have more or less kept pace, can comfortably ignore this second city so tidily sealed off from his own home town.

Margaret van Hattem

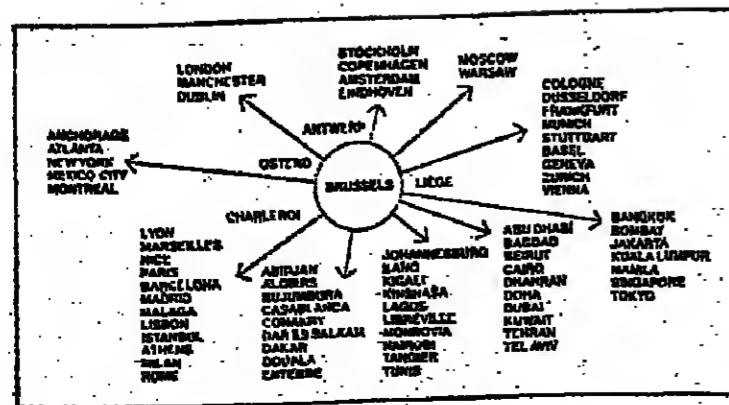


Philips' Belgian headquarters in Brussels. The city is losing its attraction as the European headquarters for international companies



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Dangers of a 'Quantum' dairy system

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE LATEST idea for the reform of the EEC dairy regime is apparently based on what is called a "quantum". This would be roughly equivalent to what used, in the UK, to be called a standard quantity...

BRITISH COMMODITY MARKETS

BASE METALS table with columns for Copper, Tin, Zinc, Lead, and Aluminium. Includes prices for various grades and contracts.

COCA

COCA table with columns for Cacao beans, Cocoa butter, and Cocoa powder. Includes prices for different types and grades.

PRICE CHANGES

PRICE CHANGES table showing price movements for various commodities like Wheat, Barley, and Soybean Meal.

AMERICAN MARKETS

AMERICAN MARKETS table listing prices for commodities such as Silver, Gold, and various grains.

INSURANCE BASE RATES

INSURANCE BASE RATES table with columns for Vanbrugh Guaranteed, Property, and other insurance types.

COFFEE

COFFEE table with columns for Arabica and Robusta coffee prices.

SOYABEAN MEAL

SOYABEAN MEAL table with columns for different grades of soybean meal.

Tuesday's closing prices

Tuesday's closing prices table for various commodities.

CORAL INDEX: Close 458.463

January Office 1,891-1,904

GRAINS

GRAINS table with columns for Wheat, Barley, and Oats.

SUGAR

SUGAR table with columns for different grades of sugar.

EUROPEAN MARKETS

EUROPEAN MARKETS table listing prices for commodities in Europe.

Commodity futures: take a fresh look now!

THERE'S NEVER BEEN A BETTER TIME for re-appraisal; for examining the advice, speed and quality of information that trading decisions are based on.

CCST Commodities Ltd.

The first name to think of. Mr. Leslie Clarke, Managing Director, on 01-480 6841.

SILVER

SILVER table with columns for different grades of silver.

WHEAT

WHEAT table with columns for different grades of wheat.

MEAT/VEGETABLES

MEAT/VEGETABLES table with columns for various meat and vegetable prices.

WHEAT

WHEAT table with columns for different grades of wheat.

WOOL FUTURES

WOOL FUTURES table with columns for different grades of wool.

INDICES

INDICES table with columns for various market indices.

COTTON

COTTON table with columns for different grades of cotton.

MEAT/VEGETABLES

MEAT/VEGETABLES table with columns for various meat and vegetable prices.

REUTERS

REUTERS table with columns for various market indices.

LONDON STOCK EXCHANGE

Worsening engineers' dispute unnerves equity leaders
Long Gilts close higher but S.A. Golds turn easier

Account Dealing Dates

Table with columns: Option, First Declara- Last Account Dealings, etc.

Fears of possible shutdowns in some sectors of the engineering industry following Tuesday evening's breakdown in the ACAS talks was reflected in a distinctly easier market for equities yesterday.

Not surprisingly, the engineering leaders were affected more than most and GKN, which is due to announce first-half results today, came back 9 to 297p.

with net gains extending to 1 in response to small demand with commitment helped by the engineering employers' firm stand.

The continued activity in the South African Gold shares provided the investment currency market with another fair business but, reflecting the evenly matched nature of trade, the premium fluctuated only narrowly.

Eagle Star better

Against the dull trend in Composite Insurances, Eagle Star moved up 3 to 15p in response to the better-than-expected interim results.

Final quotations in the Electrical quotations were around the day's lowest, GEC closing 8 cheaper at 374p after attempting a modest rally at one stage.

A resistant sector of late, Breweries yesterday went lower in line with the general trend and falls to 5 were seen among the leaders.

UDS disappoints

Disappointing first-half figures from UDS and the accompanying gloom remarks about second-half prospects together with the surrounding dull trend made for a poor day in Stores yesterday.

firm market recently following publicity given to a broker's circular, fell 15 to 520p, while falls of 9 and 10 respectively were recorded in ICL, 479p and Phoenix, 520p.

Berwick Timpae eased 2 to 74p awaiting news of the battle for control of the company.

Misc. leaders dull

The worsening engineers' dispute made for dull conditions in the miscellaneous industrial leaders.

Shipping followed the general trend, P. and O. Deferred easing 3 to 109p and Reederei 5 to 82p. Stag, however, provided a firm exception at 146p, up 6.

Mounting concern about the group's £280m offer for Howard Johnson left Imperial 2 lower at 68p, while the chairman's cautious statement at the annual meeting left Redmans at 58p, also 2 down.

Gold erratic

The South African Gold share market remained nervous and extremely volatile as the bullion price continued to move wildly yesterday.

and lack of support made for dullness in the Oil sector. Among the leaders, British Petroleum drifted off to close 10 lower at 1175p along with Shell, 4 easier at 358p.

Further scattered profit-taking was seen in the afternoon.

FT-Actuaries Share Indices

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

FINANCIAL TIMES STOCK INDICES table with columns for various indices and their values.

10 am 462.0, 11 am 461.7, Noon 461.3, 1 pm 462.2, 2 pm 462.5, 3 pm 461.5, 4 pm 461.5, 5 pm 461.5, 6 pm 461.5, 7 pm 461.5, 8 pm 461.5, 9 pm 461.5, 10 pm 461.5, 11 pm 461.5, 12 pm 461.5

HIGHS AND LOWS table with columns for 1978 and Since Completion.

the figures but came under persistent selling after the results to close 8 cheaper at 294p. Selection Trust were unaltered at 640p in front of the half-year results expected today.

NEW HIGHS AND LOWS FOR 1979

Table listing new highs and lows for 1979 across various sectors.

RISES AND FALLS YESTERDAY

Table showing rises and falls in various indices and shares.

LONDON TRADED OPTIONS table with columns for Option, Ex'rs, Closing, etc.

APPOINTMENTS

Brooke Bond Liebig changes

Mr. J. B. Brighouse and Mr. A. C. Mitchell-Times have been appointed directors of BROOKE BOND LIEBIG. Mr. D. M. S. Baxter is to relinquish his duties as an executive director and become a non-executive director from October 1, but will continue as chairman of Baxters (Butchers).

OPTIONS

Call options were dealt in Bow-Goerpe, Calabron, Consolidated Gold Fields, House of Fraser, Baco, Town and City, P & O, Lofis, Poseldion and M. J. Gleeson.

ACTIVE STOCKS

Table listing active stocks with columns for Stock, Denomina, Closing, etc.

RECENT ISSUES

Table listing recent issues with columns for Issue, Price, etc.

FIXED INTEREST

Table listing fixed interest with columns for Stock, etc.

"RIGHTS" OFFERS

Table listing rights offers with columns for Stock, etc.

FT-Actuaries Share Indices

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

EQUITY GROUPS & SUB-SECTIONS

Large table listing equity groups and sub-sections with various metrics.

FIXED INTEREST PRICE INDICES

Table listing fixed interest price indices with columns for British Government, etc.

LEADERS AND LAGGARDS

Table showing percentage changes for various sectors.

Renunciation date usually fast day for dealing free of stamp duty. Figures based on prospectus estimates, assumed dividend and yield based on prospectus or other official estimates for 1979. G. Gross, Y. Yields assumed.

Redemption yield. Highs and lows record base dates and yields and constituent changes as published in summary issues. A list of the constituents is available from the Publishers, the Financial Times, Bankers House, Cannon Street, London, EC4A 3DF, page 14p, by post 22p.

Handwritten note in Arabic script at the top right of the page.

AUTHORISED UNIT TRUSTS

Table listing various authorized unit trusts with columns for name, manager, and performance data.

INSURANCE & PROPERTY FUNDS

Table listing insurance and property funds with columns for name, manager, and performance data.

OFFSHORE & O'SEAS FUNDS

Table listing offshore and overseas funds with columns for name, manager, and performance data.

OFFSHORE & O'SEAS FUNDS

Table listing offshore and overseas funds with columns for name, manager, and performance data.

NOTES section at the bottom left of the page.

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-Tex, Anglo-Thai, Anglo-Persian, etc., with columns for stock price, price change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Anglo Life, Anglo Indemnity, Anglo Fire, etc.

PROPERTY—Continued

Table of property stocks including companies like Anglo Property, Anglo Estate, Anglo Real Estate, etc.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like Anglo Investment Trust, Anglo Property Trust, etc.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Anglo Finance, Anglo Land, etc.

WAKO SECURITIES CO., LTD. Tokyo, Japan. London Branch Office. 15th Floor, Lee House, London EC2Y 5AS.

MINES—Continued AUSTRALIAN

Table of Australian mining stocks including companies like Anglo-Australian, Anglo-Mines, etc.

TINS

Table of tin stocks including companies like Anglo-Tin, Anglo-Silver, etc.

COPPER

Table of copper stocks including companies like Anglo-Copper, Anglo-Zinc, etc.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo-Gold, Anglo-Precious, etc.

GOLDS EX-GRAND PRIX

Table of gold stocks including companies like Anglo-Gold, Anglo-Silver, etc.

NOTES

Unless otherwise indicated, prices and dividends are in pence and denominated in 25p. Estimated price/earnings ratios and...

LEISURE

Table of leisure stocks including companies like Anglo Leisure, Anglo Entertainment, etc.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Anglo Motors, Anglo Aircraft, etc.

Commercial Vehicles

Table of commercial vehicle stocks including companies like Anglo Commercial, Anglo Vehicle, etc.

Components

Table of component stocks including companies like Anglo Components, Anglo Parts, etc.

Garages and Distributors

Table of garage and distributor stocks including companies like Anglo Garage, Anglo Distributor, etc.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like Anglo Newspaper, Anglo Publisher, etc.

PAPER, PRINTING ADVERTISING

Table of paper, printing and advertising stocks including companies like Anglo Paper, Anglo Printing, etc.

SHIPPING

Table of shipping stocks including companies like Anglo Shipping, Anglo Maritime, etc.

SHOES AND LEATHER

Table of shoe and leather stocks including companies like Anglo Shoes, Anglo Leather, etc.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo South African, Anglo Cape, etc.

TEXTILES

Table of textile stocks including companies like Anglo Textiles, Anglo Fabric, etc.

PROPERTY

Table of property stocks including companies like Anglo Property, Anglo Estate, etc.

TRUSTS, FINANCE, LAND

Table of trusts, finance and land stocks including companies like Anglo Trust, Anglo Finance, etc.

OILS

Table of oil stocks including companies like Anglo Oil, Anglo Petroleum, etc.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo Overseas, Anglo Trader, etc.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo Rubber, Anglo Sisal, etc.

TEAS

Table of tea stocks including companies like Anglo Tea, Anglo Spice, etc.

MINES—CENTRAL RAND

Table of central rand mining stocks including companies like Anglo Rand, Anglo Mine, etc.

EASTERN RAND

Table of eastern rand mining stocks including companies like Anglo Rand, Anglo Mine, etc.

FAR WEST RAND

Table of far west rand mining stocks including companies like Anglo Rand, Anglo Mine, etc.

REGIONAL MARKETS

Table of regional market data including London, New York, etc.

DIAMOND AND PLATINUM

Table of diamond and platinum market data.

CENTRAL AFRICAN

Table of central African market data.

